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# **US Policy in Latin America: Postwar to Present**



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**ЭВОЛЮЦИЯ ЛАТИНОАМЕРИКАНСКОЙ ПОЛИТИКИ США**

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This book presents a study of the evolution of US Latin American policy in the 1970s and early 1980s. It is part of the continuing research of Latin American specialists in the USSR who have always been concerned with analysing the expansionist policy of American imperialism in this region and the struggle of the peoples for true national liberation.<sup>1</sup>

During the 1940s and 1950s the US endeavored to isolate Latin America from changes occurring in the world (especially from the emerging socialist community) and preserve the social status quo in the region. In the decade following the Cuban revolution, Washington tried to place a sanitary cordon around the new socialist country and search for capitalist models of development in the region that could be offered as an alternative to socialism. In the 1970s, however, Washington began to gradually retreat from its unvaried hard-line foreign policy in Latin America and to introduce a differentiated approach to the countries of the region according to their specific position among other developing countries and in the world as a whole.

The type of policy which is being conducted by the White House today has made it necessary for the authors to pay special note to Washington's bilateral relations with major

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<sup>1</sup> See: S.A. Gonionski, *Latin America and the US, 1939-1959: Essays on the History of Diplomatic Relations*, Moscow, 1960; *US Neocolonialism In Latin America*, Moscow, 1970; A.A. Matlina, *A Critique of the Concept of a "Peaceful Regulated Revolution" for Latin America*, Moscow, 1971; K.S. Tarasov, *US and Latin America*, Moscow, 1972; G.F. Vishnya, *US—Latin America: Foreign Policy Relations at Present*, Moscow, 1978; *US and Latin America*, Moscow, 1978 (all in Russian).

Latin American states. It is also important to emphasise that changes in US policy with regard to the region are only relative inasmuch as although the forms, methods and specific strategic objectives may be different, the policy essentially remains the same. This may be clearly seen by the reactionary course of the Reagan Administration which has revealed US imperialist goals in Latin America. US ruling circles have adapted to new conditions in the region and in the world. And this has engendered a hybrid policy combining new approaches with such tried and tested methods as "big stick" and "gunboat" diplomacy. Nonetheless, the "tie-up system" that binds the countries of Latin America and the Caribbean to the chief centres of imperialism is becoming more complex, subtle and diffuse. The study of these problems is of both theoretical and practical interest.

## *Chapter One*

### **Maintaining a Low Profile: Declarations and Policy**

#### **1. Major Trends in US Latin American Policy in the Postwar Period**

The Second World War wrought fundamental changes in the political map of the world. Following the war, not just one socialist country but an entire socialist system of states stood opposed to the capitalist world. This clearly altered the balance of power in the world and boosted the national liberation movements in the countries of Asia, Africa and Latin America. Colonialism began to swiftly disintegrate, and capitalism entered the second phase of its general crisis.\*

Liberation movements gained ground in the countries of Latin America, which at that time were all, without exception, dependent and exploited nations. Progressive, democratic and patriotic forces were seeking profound anti-imperialist and anti-feudal transformations, greater political and economic independence and the right to conduct an independent foreign policy.

Leaning on its economic might and position of military superiority in the capitalist world, the US seized the role of international policeman and openly proclaimed its intentions to reverse the world revolution process. America threatened the use of force everywhere a "threat" might appear not only to US interests but to any links in the imperialist chain.

The Truman Doctrine, which laid the basis for this policy, proceeded from the fact that, as a result of World War II, only

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\* The First World War and the Great October Socialist Revolution in 1917 brought about a general crisis of capitalism.

two seats of power remained in the world — the US and USSR — and the global conflict between them determined the basic content of world politics (the so-called bi-polar structure of international relations).<sup>1</sup> Turning from President Roosevelt's course of cooperation with the USSR, the US opted for confrontation, "containing" communism, establishing a tight ring of military blocs and bases around the USSR, conducting a cold war policy and vying for world domination.

Armed with such cold war doctrines as nuclear diplomacy, the diplomacy of force, brinkmanship policy (or "liberation" and massive retaliation) Washington relegated the majority of Latin American states to low priority positions in its foreign policy. Rollie Poppino, a professor at California University, wrote: "...With the opening of the cold war in 1947, the United States assumed primary responsibility for the defense of the entire free world, relegating Latin America to a secondary position in its global strategy".<sup>2</sup>

At the same time, ruling circles in the US were using the local bourgeois landowning oligarchy in Latin America to try to maintain control over the region. Having initiated the cold war, the US viewed Latin America as a bridgehead in the struggle against international communism. In 1947 Washington imposed an Inter-American Treaty of Reciprocal Assistance (Rio de Janeiro Treaty) on the Latin American countries. According to John Dulles, Secretary of State at the time, this Treaty was "...a model for similar regional pacts in other parts of the world, specifically, of course, western Europe".<sup>3</sup> In 1948 the formation of the Organisation of American States (OAS) provided US expansionist policy in the western hemisphere with an additional weapon.<sup>4</sup>

Meanwhile, Washington was taking energetic steps to politically and economically isolate the countries of the region from world socialism. As a result of pressure exerted by their northern neighbour, some Latin American governments broke off diplomatic relations that had been established with the USSR during the war. Many states in the region were compelled to conclude bilateral military agreements with the US that served to strengthen their dependence on Washington in matters of security and significantly limited their freedom of political maneuvering. It was disclosed at a special Senate

hearing that one of the major goals of Pentagon policy in Latin America was to make the United States the exclusive supplier of weapons to the region. And, as a matter of fact, up to the mid-1960s the US supplied more than 70 per cent of all arms to Latin American countries and approximately 800 American military advisors were in the region at the same time.<sup>5</sup> This considerable military and political presence was unquestionably an important factor in helping to suppress democratic forces and establish a string of reactionary dictatorships. In turn, these regimes granted new privileges to American monopolies and supported imperialist policies in the world, including in the U.N.

Throughout the 1940s and 1950s, US policy with respect to Latin America was designed to preserve the existing socio-economic structure in the region. In the main, the US was backed by the bourgeois and land-owning oligarchy which feared the revolutionary influence of world socialism on the masses. As shown by events in Guatemala in the early 1950s, Washington was prepared to use all power necessary to suppress any social changes that might in any way weaken the anti-communist hysteria of the cold war.

Washington's efforts to isolate Latin America from the "communist threat" and the pro-imperialist course of ruling circles in a majority of the Latin American states artificially separated the region from the rest of the world and compromised their independence in international relations. Describing the situation in the region at the time, Marcos Kaplan, a well-known Argentine sociologist, observed that the weakened position of West European countries and resulting decrease in the political latitude of Latin American governments and the bourgeoisie (a situation aggravated by the system of "mutual security", together with the campaign against communism and "subversive activities"), were hindering the establishment of ties with socialist countries.<sup>6</sup>

Favourable economic situation during the war and early postwar period coupled with the organisational weaknesses of popular movements in Latin America made it considerably easier for US imperialism to suppress the Latin American countries in every way possible and to exploit them even further. However, when the economic situation of the Latin

American countries sharply deteriorated in the mid-1950s, inter-American relations entered a critical phase.<sup>7</sup>

The class struggle of the working masses was growing more active and the liberation movement found new impetus. Reactionary regimes in a number of Latin American countries were overturned and foreign policies were beginning to be reevaluated, new alternatives sought. The Cuban Revolution, which proved the reactionary doctrine of "geographic determinism" to be false, helped to greatly change the international situation in the region and showed the Latin American peoples the way to true freedom. By the late 1950s general revolutionary conditions for revolution in Latin America region were maturing.

In the latter years of President Eisenhower's presidency official circles in Washington were trying to determine how to restructure inter-American relations in such a way as to strengthen the American position with the help of new, more effective measures. However, the contours of the "flexible approach" began to take shape when John F. Kennedy came into office in 1961 and suggested the "Alliance for Progress" programme of capitalist modernisation for Latin America.<sup>8</sup>

In proposing this Programme, the US initially thought it necessary to conduct reforms "from the top" in the economic, political and social life of the region in order to avert a popular revolt, check the spread of communist ideology and isolate from the rest of Latin America revolutionary Cuba—that "spark which could inflame the hemisphere."<sup>9</sup> As Lenin pointed out: "...historic situations arise when reforms, and particularly promises of reforms, pursue *only* one aim: to allay the unrest of the people, force the revolutionary class to cease, or at least to slacken, its struggle".<sup>10</sup>

This was exactly the situation in Latin America in the late 1950s and early 1960s, and this was the goal pursued by ruling circles in the US who proposed a "peaceful regulated revolution" for Latin America. What they proposed was, "without harming US interests, to direct the objective process of social change as the US saw fit, to defuse the revolutionary potential of the masses in Latin America by conducting reforms under Washington's supervision and to turn the peoples away from the revolutionary path of transforming Latin

American society toward the path of bourgeois reformism, thus preserving and expanding its dominance in the region".<sup>11</sup>

The Alliance for Progress programme had another far-reaching international objective. Due to the rapid pace of decolonisation, in the early 1960s American ruling circles became convinced of the fact that the developing world, which was embroiled in the struggle for national and social liberation, was gradually becoming of crucial importance in the global conflict between the two systems. Therefore, American political strategists believed that the developing countries represented the major front in the fight against communism, and, consequently, Washington was compelled to show much greater interest in the situation unfolding in the countries of Asia, Africa and Latin America.<sup>12</sup>

In trying to work out a comprehensive foreign policy with respect to the developing countries, the Kennedy Administration turned first to Latin America, which, in the opinion of American political analysts, could meet the "communist challenge" more successfully than Asia or Africa and demonstrate the advantages of the capitalist road of development for newly-independent states. The strengthening position of socialism in Latin America along with the impact of the Cuban revolution had created a dangerous precedent and was thought to be a bad example for the developing countries. The situation in Latin America required special attention and served to increase the region's importance in Washington's foreign policy plans.

In the economic sphere, the Alliance for Progress Programme was to accelerate the development of Latin American countries along the capitalist road and preserve their dependence on the developed capitalist countries. Politically, the Programme was designed to minimise the impact of the Cuban revolution in the region.

Washington believed that it could realise its plans by providing the Latin American countries with additional funds and also by carrying out partial reforms which would not politically or economically endanger US interests.

The "new frontiers" policy taken with regard to Latin America was in practice a complex mixture of imperialist reformism and various forms of economic and political pres-

sure, and also included, in accordance with the "flexible response" strategy, direct military intervention. Moreover, in the first half of the 1960s, especially in the years of the Johnson Administration, when US foreign policy was characterised by a "Texas style" of increased military adventurism, Washington began to conduct affairs in Latin America from a position of strength.

Due to the failure of the Alliance for Progress Programme and growing fear of the Cuban revolution, Washington returned to its hard-line policy. The Johnson and Mann doctrines of 1964-1965 proclaimed that the US had the right to unilaterally intervene in any country in the region where the interests of American monopolies might be threatened and called for an all-out campaign against communism. In effect, this policy indicated that the US would no longer preferentially rely on "representative democracies" in the region. Thus, more military dictatorships were established. And whereas these regimes were by no means urging social reform in their countries, they could be counted on to faithfully serve the interests of American monopolies.

The more active interventionist policy being pursued by the US in Latin America and the failure of the Alliance for Progress Programme caused much dissatisfaction in the regional countries and inter-American relations again worsened. Speaking before the Subcommittee on Western Hemisphere Affairs, Senator Frank Church stated: "Our relationships are in disarray".<sup>13</sup>

The situation prompted many Latin American states to begin to search for foreign policy alternatives. This trend was especially evident in the late 1960s and early 1970s, and unfolded in four major directions: expanding trade and economic ties with Western Europe, Canada and Japan; establishing relations with the USSR and other socialist countries; enhancing political contacts with the developing countries of Asia and Africa; establishing and strengthening cooperation among the Latin American states.



## 2. Detente and the International Situation in the Western Hemisphere

The increased contradictions between the US and Latin American states in the late 1960s and early 1970s, and beginning efforts on the part of the Latin American countries to ensure their independent economic development occurred at the time when a degree of detente had been achieved between the East and West and international relations as a whole had improved. The influential factor of detente in the complex and contradictory relations between the US and those countries south of the Rio Grande made it possible to transfer these relations to a new basis. Detente helped to improve in general the international climate, including the strengthening of new, positive trends in the foreign policies of a number of Latin American states.<sup>14</sup> The Declaration on the Principles of Inter-American Relations, adopted by the OAS upon the initiative of the Latin American countries in early 1973, noted that, "In the last years there took place deep changes in the international relations towards peaceful cooperation among nations",<sup>15</sup> and called for spreading the positive effects of detente on inter-American relations.

It is important to note that the positive gains achieved in the Latin American countries' foreign policy were made possible by the profound domestic changes that had occurred in the region: significant growth in economic potential;<sup>16</sup> the increased role of the state in the economy; diminished power of the pro-imperialist oligarchy in a number of countries; strengthened position of local capital and nationalist tendencies; and, most important, the greater influence of the working masses, their parties and organisations on the formation of foreign policy.

The changes in the international situation which occurred in the 1970s enabled the Latin American countries to work more vigorously for new trade and economic relations in the western hemisphere. Moreover, their efforts were a part of a world-wide campaign on the part of the developing states against the system of world economic relations imposed by imperialism. At the 25th Congress of the CPSU it was noted: "It is quite clear now that with the present correlation of

world class forces, the liberated countries are quite able to resist imperialist diktat and achieve just—that is, equal—economic relations.”<sup>17</sup>

The peoples' struggle for the peaceful and progressive development of their countries caused Latin American governments to revise the character of inter-American relations, which were permeated with the spirit of anti-communism and the cold war, in favour of new democratic principles which could promote Latin America's role in international relations and the establishment of mutually beneficial and just cooperation with all the countries of the world, including the socialist countries.

Detente encouraged a rapprochement among the Latin American states based on anti-imperialist attitudes and made it possible to undermine the reactionary principles and doctrines of the cold war era, which the US had used to divide regional states and perpetuate unequal relations in the western hemisphere. And it was principally the OAS that performed this function.

The articles of the Inter-American Treaty of Reciprocal Assistance, on which the OAS Charter was based, made the Latin American countries greatly dependent both militarily and politically on the US and bound their foreign policy to the global strategy of American imperialism. The Pan American Doctrine, which purported that the member-nations of OAS had a unique position in the world community of nations under the pretext of the US-inspired notion that the OAS had “priority” over the UN, made it extremely difficult for the Latin American countries to diversify their international ties.

The anti-communist orientation of the OAS and prevailing thought that Marxism-Leninism was incompatible with the principles of the inter-American system and “ideological frontiers” hindered the development of cooperation with socialist countries. What was needed, first of all, to bring the spirit of detente into international relations in the western hemisphere was to lift the US-urged sanctions against Cuba which had been put into effect by the OAS in the early 1960s and establish diplomatic relations between the member-states of that organisation and socialist Cuba.

Thus, at the beginning of the 1970s the Latin American

states began to reconsider inter-American relations. And, in the spirit of detente, their demands were not only of a trade and economic nature but of a political one as well.

One of the new principles of inter-American relations the Latin American countries were working to set up was that of ideological pluralism. The Latin American countries which supported this principle justifiably linked it with a reconsideration of the anti-communist doctrines of "incompatibility" and "ideological frontiers" on which the concept of inter-American security was based.

The foreign policy being conducted by the government of the Popular Unity of Chile contributed to the birth of this new principle of inter-American relations. Backed by Washington, the enemies of Chile were trying to worsen the country's border conflicts with neighbouring states, particularly Argentina. To achieve this goal, the doctrine of "incompatibility", which had previously been used against Cuba, was put into operation.

Mexico and Venezuela were especially interested in the principle of ideological pluralism. In the mid-1970s the heads of these governments worked indefatigably to make the campaign for "pluralistic solidarity" among Latin American states a part of their general foreign policy in the western hemisphere. Consistently supporting the concept of the necessity to unite the forces of the Latin American countries in the world, diplomats from Venezuela, Mexico, Panama, Peru, Jamaica and a number of other regional states never swerved in their support of the principle of ideological pluralism and called for respect of the sovereign rights of the Latin American countries regardless of their socio-economic or political order.

It was in large part due to the efforts of the above-mentioned countries that one of the principles of inter-American relations adopted at the 3rd OAS General Assembly session in April 1973 was that of ideological pluralism. Speaking at the opening session, the Chairman, Venezuela's Minister of Foreign Affairs, Arístides Calvani, noted the necessity of acknowledging the existence of ideological differences within the inter-American organisation. The discussion which followed offered convincing proof that the majority of Latin American states favoured ideological pluralism. George Moe,

Minister of Foreign Affairs of Barbados, remarked at the session: "One must accept the fact that Marxism-Leninism can no longer be considered incompatible with the principles of the inter-American system."<sup>18</sup>

Upon the initiative of Columbia, Costa Rica and Ecuador, the Declaration of the Principles of Inter-American Relations (Resolution No. 128) was adopted at the session. It proclaimed the right of each country to freely choose its form of government and socio-economic order. Ideological pluralism was announced to be the precondition for effective regional solidarity, which was to be based on "cooperation, non-interference and self-determination of the sovereign Nations".<sup>19</sup>

The fact that the principle of ideological pluralism was approved was significant in that it facilitated the future implementation of a number of practical measures designed to eliminate survivals of the cold war in the western hemisphere. Nonetheless, due to many factors (primarily the US anti-Cuban policy and also the inconsistency and wavering on the part of bourgeois governments in Latin America), the principle of ideological pluralism did not gain dominance in inter-American relations, and its positive features turned out to be subject to the sharp changes occurring in that region of the world. At the 3rd General Assembly of the OAS, delegates from the US, Brazil, Paraguay and Nicaragua hastened to declare that ideological pluralism only referred to principles of non-intervention, self-determination and national sovereignty—principles already formally recorded in the OAS Charter. This was given as the basis for not including the new principles in new inter-American documents.

Delegates from a number of other Latin American states considered the principle of ideological pluralism to have deeper meaning on two levels: first, as a reinforcement of the principle of sovereignty, non-intervention and self-determination (which was by no means superfluous considering that many times the US had violated these principles) and, second, on a higher level, as a concept approaching the principle of peaceful coexistence. In the latter case, the affirmation of inter-American relations based on the principle of ideological pluralism followed the same line as international detente, peace and equal cooperation among nations.

In viewing ideological pluralism as a new doctrine based on the principle of peaceful co-existence, the Latin American states were able to focus their attention on the question of curtailing their military and political obligations to the US for the sake of socio-economic development. In this respect, the concept which tied the economic development of a state with its security was supported by a majority of Latin American countries, and the campaign to adopt a system of collective economic security (which was first put forward by Peru, Argentina and Panama) was one of the central issues in the review of inter-American relations.

One of the major effects resulting from the restructuring of international relations in the western hemisphere was a weakening of the anti-Cuban sanctions the US had been using in an effort not only to push Cuba from its chosen path but also to splinter the ranks of the Latin American governments and perpetuate US political hegemony in that region. But the American blockade undermined the prestige of the United States in Latin America and exacerbated the crisis in the OAS.

As Mario Ojeda, a Mexican political analyst observed, Mexico, a country that had never accepted the OAS decision to break off diplomatic, trade and other ties with Cuba, marked "a precedent in the history of inter-American relations and cast doubt on the efficacy of the Inter-American Treaty of Reciprocal Assistance."<sup>20</sup> Moreover, time would justify the correctness of Mexico's diplomacy.

On November 12, 1970, despite OAS sanctions, the Allende government re-established diplomatic ties between Cuba and Chile. A proposal to allow each country to independently decide the question of its relations with Cuba was made by Peru in 1972 in the Permanent Council of the OAS. At that time, however, the necessary majority of votes was not achieved. But in July 1972, Peru independently decided to establish relations with Cuba. In December of that same year, four Caribbean countries—Jamaica, Guyana, Barbados and Trinidad and Tobago—also established relations with Cuba. In May 1973, diplomatic relations were re-established between Cuba and Argentina. In April 1974, against the will of the US State Department, automobiles produced by Argentine subsidiaries of American parent companies were sold to Cuba.

Commenting on Argentina's action, which demonstrated the Latin American countries' interest in trade with Cuba, OAS Secretary-General, Galo Plaza, declared that, in his opinion, the blockade was no longer in effect. In August 1974, diplomatic relations were established between Cuba and Panama.

The November 1974 Consultative Meeting of the OAS member-countries' Ministers of Foreign Affairs was unable to adopt a resolution granting the Latin American countries the right to freely decide the issue of establishing relations with Cuba, despite the fact that a majority (12) of the governments favoured its passage. Six states abstained (US, Bolivia, Brazil, Haiti, Guatemala and Nicaragua) and only three (Paraguay, Chile and Uruguay) voted against the resolution. But since in accordance with Art. 17 of the Rio de Janeiro Treaty a two-thirds majority (i.e., 14 votes) was needed to revoke the sanctions, the minority was able to impose its will on the majority.

Many Latin American foreign ministers at the meeting spoke out in favour of ideological pluralism on numerous occasions. They underscored the fact that the inter-American system could not remain removed from the process of detente.

At a special conference of plenipotentiary representatives held in July 1975 in San José, a majority of the Latin American states were able to push for a decision to change the voting rules at the Consultative Meeting. Eighteen states voted in favour of changing the decisions of the meeting by a simple majority of votes and two (Paraguay and Chile) opposed the measure. The new voting rule was written into the Reform Protocol of the Inter-American Treaty of Reciprocal Assistance, which was adopted at that conference. The 16th Consultative Meeting was called on July 29, 1985, immediately following the meeting in San José, and passed a resolution granting the OAS member-states the freedom to normalise relations with Cuba. Sixteen states voted in favour, Brazil and Nicaragua abstained and Paraguay, Uruguay and Chile were opposed. Also, a resolution was passed to uphold the principle of non-intervention in internal affairs. The Resolution on International Policy, adopted at the First Congress of the Communist Party of Cuba in December 1975 stated,

in part: "The change in the balance of world and continental power, the advances of detente and the pressure of the Latin American peoples and their growing opposition to Washington's policy forced the United States to vote for the right of the Latin American countries to decide for themselves the question of establishing relations with Cuba."<sup>21</sup>

The growing strength of the socialist community and the significant developments in the balance of power between the two social systems considerably improved the opportunities of the Latin American countries to receive the support of the socialist states and the world revolutionary movement. It was therefore understandable that one of the major directions in restructuring international relations in the Latin American region in the 1970s was the considerable expansion of diplomatic, trade, economic, scientific and cultural ties with the socialist states. For example, from 1967 to 1977, the number of Latin American countries maintaining diplomatic relations with the Soviet Union grew from 5 to 14, while trade between Latin America (excluding Cuba) and the USSR increased from 80 million roubles in 1970 to 525 million roubles in 1979. Moreover, such regional states as Argentina and Brazil came to be numbered among the USSR's most active trading partners.<sup>22</sup>

Mutually beneficial economic cooperation and political contacts between the Latin American states and the socialist community are increasing. Examples are the large trade agreements signed in the 1970s and the formation of joint companies. From 1972-1975, 12 Latin American republics established diplomatic relations with the GDR. There are good prospects for cooperation between Latin American countries and the member-states of the Council for Mutual Economic Assistance. The process was initiated in 1975 with the signing of an agreement on establishing contacts between CMEA and Mexico. In recent years some of the Andean countries as well as Guyana and Jamaica have shown interest in cooperation with CMEA.<sup>23</sup>

The socialist states have become an attractive market for goods from Latin America. For example, from 1970-1977, trade between Latin America (excluding Cuba) and the European member-nations of CMEA increased from 467,9

million dollars to 2.3 billion dollars, i.e., fivefold.<sup>24</sup>

Thus, detente undermined the reactionary cold war precept of freezing ties with the socialist states, opened prospects for the development of mutually beneficial international cooperation and granted business and governmental circles in Latin America broad opportunities to build anew relations with the socialist community.

The fact that an increasing number of Latin American officials began to visit the Soviet Union served to promote closer contacts between the Latin American governments and that of the USSR. For example, visiting the USSR in the 1970s, along with Cuban officials, were Salvador Allende, President of Chile (1972); Luis Echeverria, President of Mexico (1973); Eric Williams, Prime Minister of Trinidad and Tobago (1975); a Parliamentary delegation from Columbia (1976); Carlos Andrés Pérez, President of Venezuela (1976); Forbes Burnham, Prime Minister of Guyana (1978); Jose López Portillo, President of Mexico (1978); Michael Manley, Prime Minister of Jamaica (1979); and others. As a result of these visits many documents were signed which reflected the sides' common viewpoints on a number of important international problems.

The years of detente gave impetus to the liberation movement in Latin America as well as exacerbated the crisis in the inter-American system, which for decades had isolated the countries of the region from the outside world, particularly the socialist states, and created artificial barriers that obstructed the development of close ties among the Latin American countries themselves. The President of Mexico, Luis Echeverria, justifiably claimed, "We were the 'Disunited States of the South'; North American expansionism has divided us".<sup>25</sup>

In the 1970s interstate cooperation began to develop among the Latin American countries. Within a few years more bodies and organisations of Latin American cooperation were formed than in the entire history of the region. One of the most important organisations was the Latin American Economic System (LAES), a multi-purpose interstate organisation formed in 1975 that united virtually all the countries in Latin America (including Cuba) but excluding the US. Thanks to the creation of an independent system of interstate cooperation and consultation, the Latin American countries began to act from a



united position on an increasing number of international issues: relations with the US and other Western powers, the efficacy of the UN and its specialised agencies, and important global problems—disarmament, elimination of the vestiges of colonialism, environmental protection, maritime law, etc.<sup>26</sup>

Of course it would be erroneous to state that the Latin American countries followed a unified foreign policy in the 1970s. Nonetheless, despite the complexities and many contradictions in the social processes underway in the region, and despite the many different approaches and concepts, the major trend was to unite in an effort to weaken their dependence on the United States.

Latin American diplomacy in the 1970s was also concerned with the restructuring of the system of capitalist economic ties and establishment of a New International Economic Order (NIEO). At a hearing before the Subcommittee on Inter-American Economic Relations in the US Congress, it was specifically pointed out that Latin America was not only the "ideological leader" of the developing countries supporting the NIEO but also the initiator of the most important practical steps taken in that direction.<sup>27</sup> In fact, it was the Mexican President, Luis Echeverria, who, at the Third session of the UN Conference on Trade and Development (Santiago, 1972), proposed working out a Charter of Economic Rights and Duties of States. Approved at the UN General Assembly in December 1974, this document served as the basis for programme under NIEO, something the developing countries were actively campaigning for.

The initiative shown by the Latin American countries in their campaign to restructure world economic relations and establish a New International Economic Order resulted in significantly increased foreign policy cooperation in the 1970s among developing states in different regions (both bi- and multilateral).

For example, whereas at the first two conferences of heads of states and governments of non-aligned countries (Belgrade, 1961 and Cairo, 1964) Cuba alone of all the Latin American countries participated as a full-fledged member, at the 4th conference held in Algiers (1973), seven Latin American delegations enjoyed this status; and at the 6th Conference held

in Havana (1979), there were eleven Latin American delegations (Argentina, Bolivia, Cuba, Grenada, Guyana, Jamaica, Nicaragua, Panama, Peru, Surinam, Trinidad and Tobago). Moreover, a number of regional states were present as observers. At present, the majority of Latin American countries participate in the non-aligned movement.<sup>28</sup>

Latin American countries considerably expanded their trade and economic ties with Asian and African states in the 1970s, and trade continued to grow at a rapid pace. For example, from 1971 to 1977, Latin American exports to the Mideast increased from 40.4 million dollars to 443.9 million dollars, i.e., 11 times. In 1978 Kuwait's Finance Minister, Sheikh Abdel-Rahman, opened the headquarters of the Arab-Latin American Bank in Lima. One of the bank's goals was to promote trade between the two developing regions.<sup>29</sup>

An important form of cooperation among the developing countries was the creation of associations of raw material exporting countries (raw material anti-cartels). The Latin American states took an active role in this. Venezuela and Ecuador belong to the Organisation of Petroleum Exporting Countries (OPEC); Peru and Chile have formed the Inter-governmental Council of Copper Exporting Countries together with Zaire and Zambia; Mexico and Peru have joined the International Association of Mercury Producers; and Bolivia is a participant in the International Tin Agreement. Of the nine member-countries of the International Bauxite Association, five are Latin American states (Jamaica, Surinam, Guyana, the Dominican Republic and Haiti). Venezuela, Peru and Chile have joined the Association of Iron Ore Exporting Countries; and Bolivia, Peru and Mexico—have entered the Primary Tungsten Association. In addition, the 1970s saw the creation of "exclusively" Latin American raw material anti-cartels: the Union of Banana Exporting Countries (UBEC), the Latin American Association of Meat Producers, and also the Group of Latin American and Caribbean Exporters of Sugar. The latter, which includes 22 regional countries, is one of the largest anti-cartels. And it is important to note that one of the members is socialist Cuba, whose share in the world sugar trade is extremely high (up to 30 per cent of the product's global export).<sup>30</sup>

In the 1970s the process of restructuring international relations among the Latin American countries assumed a dynamic and diverse character. The role of the Latin American states in global politics began to change, principally due to the regional countries' growing independence and more extensive international ties.

The balance of power between the US and Latin America began to shift under the influence of detente; distinctly new factors appeared in inter-American relations: a weakening of Latin America's dependence on the US, and the region's strengthened position and increased opportunities to deal with Washington on a more equal basis.

All these factors helped to change the international situation in the western hemisphere and compelled ruling circles in the US to again reevaluate the strategy of their Latin American policy, as was evidenced during the Nixon Administration.

### 3. Latin American Policy During the Nixon-Kissinger Years

The dirty war in Indochina left its mark on the entire diplomatic policy of the Republican Administration that came to power in early 1969.

The adventurist policy followed in Vietnam coupled with the heavy weight of foreign and domestic problems forced many representatives of America's ruling elite to realise that the obligations Washington had taken upon itself with regard to other countries clearly exceeded the political, economic and military capabilities of the US, and that intervention in the internal affairs of other states could easily lead to "new Vietnams", which might deal the final blow to America's already dubious international prestige and exacerbate the country's domestic crisis. In his book *American Foreign Policy*, Henry Kissinger observed that, "In the twentieth century any use of force sets up inhibitions against resorting to it again. Whatever the outcome of the war in Vietnam, it is clear that it has greatly diminished American willingness to become involved in this form of warfare elsewhere."<sup>31</sup>

Kissinger, President Nixon's National Security Advisor and later Secretary of State, was one of the chief proponents of introducing new strategy into America's foreign policy. Kissinger acknowledged that compared with the early post-war period, the role of the US in international affairs had altered considerably, and that in the late 1960s and the 1970s it could no longer work out programmes for the whole world, but should create political structures encouraging the initiative of others.<sup>32</sup> He thus unequivocally stated that what was of major importance in the new foreign policy of the US was the shifting of some of the country's obligations to its allies.

This strategy was most generally formulated in Nixon's Guam Doctrine, which suggested that Americans leave the fighting in Southeast Asia to the Asians.<sup>33</sup>

US mutual relations with other states were based on three fundamental principles, which were formulated in close association with the Guam Doctrine: "partnership, strength, negotiation". What these principles essentially meant was that US allies were supposed to take responsibility for a greater share of the material expenditures and obligations incurred in creating a "strong free world", thus making it possible for Washington to more successfully defend its interests while, at the same time, America's costs were sharply reduced.

Analysing Nixon's Doctrine, Soviet political experts stressed that it was both an inconsistent and contradictory attempt by US ruling circles to "adapt to the new balance of power in the world, to the new structure of international relations, to adapt in such a way as to preserve its leadership in the imperialist world by correlating the degree of its possible involvement in a particular international event with the level of anticipated material and moral-psychological cost".<sup>34</sup>

Thus, Washington would still have global responsibility for the fate of the "free world", but would pay less of the cost.

Even while campaigning for the Presidency Nixon adhered to what would become the Republicans' Latin American policy: "I think that in Latin America the proposition of U.S. unilateral responsibilities has got to change. We must make more conscious efforts toward 'latinizing' our actions in Latin America. This will not only serve as a positive, self-help motivation for the Latin Americans; but it would also serve to open the way

for the United States to play a more constructive role on a partnership basis in this area."<sup>35</sup>

The difficult and painful re-appraisal of the role and place of the US in international affairs which occurred as a result of the understanding and (forced) acknowledgement that new conditions existed in the world led to a dispute concerning Latin American policy which became one of the "great debates" of the end of the 1960s and early 1970s.<sup>36</sup>

The majority of those who participated in these debates—representatives of business, political, public and scientific circles in the US—were of the opinion that the old interventionist line was not in keeping with the new balance of power in the world. It was proposed that the regions of Asia (excluding the Mideast), Africa and Latin America no longer be considered zones where the US might apply military force. Different means were to be employed here, relying above all on the advantages the US could derive from the scientific and technological revolution which became in the mid-1970s a major factor in international politics.<sup>37</sup>

The concept of special relations between the US and Latin America was also shaken. Many American political analysts believed that Latin America should be viewed as one of the regions of the developing world, not as a sphere of Washington's special interests. Of course, stipulations were made for specific countries, particularly Mexico, where, in the opinion of many leading political scientists, there was every possibility that the US would directly intervene militarily if events began to unfold that were not to Washington's liking.<sup>38</sup> But, we repeat, on the whole, both academic and political circles in the US were coming to increasingly favour the idea that as far as relations with Latin America were concerned, a policy of "constructive disengagement" should be carried out, and a move made in the opposite direction from the old course with its wide network of American military missions, military assistance, and direct intervention in the regional states' internal affairs (including the diverse activities of US special services and marines operations).

Nonetheless, along with proponents of a new approach in international relations, Washington retained a number of politicians, generals and scientists who urged sticking to the

old hard line. And though by the end of the 1960s there were fewer supporters of the interventionist policy, those that remained had no intention of laying down their arms.

The first outlines of the new Latin American policy were defined in a report prepared after New York Governor Nelson Rockefeller's trip in May and June 1969 to a number of Latin American countries. Provoking a wave of anti-American protests, this trip again demonstrated the deep dissatisfaction the Latin American peoples felt toward US policy. And this glaring fact could not be ignored in the report Rockefeller prepared for the White House.

Elaborating on Nixon's idea about "latinising" US actions in Latin America, Rockefeller proposed strengthening the system of "collective security in the Western hemisphere" and enhancing the role of the OAS as a centre for solving political problems. Moreover, it was recommended that additional assistance be provided to strengthen the military police apparatus in Latin American countries and to increase the sale of arms. Rockefeller's report stressed that the power of Latin American ruling circles should be used first of all to avert a social revolution in the region. Then, the New York Governor recommended establishing close ties with Latin American military circles, which he presented as the principal power for implementing constructive social changes in the American republics.

Acknowledging the fact that US economic assistance had been ineffective, Rockefeller recommended that the US Government put greater emphasis on trade and introduce a system of trade preferences for the Latin American countries.<sup>39</sup> It was suggested that the programme of assistance be multilateral and that OAS channels be used to establish an order of priority and the volume, thus sparing the US (which would be proffering "assistance" in order to attain its own political ends) from criticism. Proposals were also made to encourage as much as possible the investment of private capital in Latin America.

Political analysts in Latin America observed that the report not only contained recommendations to the White House but in fact pointedly told the governments of Latin America what they should do. A leading Brazilian sociologist, Octavio

Ianni, noted that Rockefeller's report was an example of US intervention in the internal affairs of Latin American states inasmuch as each section "...sets down rules for Latin American Governments on how to analyze situations, make decisions and take actions".<sup>39a</sup>

Naturally, such attempts by Washington met with a negative response on the part of Latin America. Nonetheless, many of Rockefeller's proposals came to be reflected in Nixon's Latin American policy.

On October 31, 1969, in a speech before the Interamerican Press Association, Nixon proposed a new Latin American policy which he called a "new partnership". The methods Nixon suggested to ensure US interests in Latin America differed from those used by previous Democratic administrations, especially from those employed during Kennedy's presidency. Nixon categorically rejected the "paternalistic" policy as out of date and flawed, and offered Latin America "partnership, not dominance".<sup>40</sup> The American President declared that the new policy would end Washington's intervention in the internal affairs of Latin American states and lay the foundations for a more "mature partnership" between the US and the regional countries.

Somewhat later the new course Washington had decided upon in Latin America came to be known as the "low-profile" policy: implying less direct intervention on the part of the US in Latin American affairs and the transfer of a considerable share of the responsibility for defending the interests of the US in the region onto the shoulders of America's allies among representatives of local ruling classes. The low-profile policy was based on the fact that Latin America was now considered a less important global interest for the US and therefore a kind of "asymmetry" had been introduced into their relations which allowed the United States to take less of an interest in the region's affairs. To prove their point, the authors of the asymmetry theory argued that the region had fallen off in trade with the US and in the volume of American monopoly foreign investments; that the military-strategic significance of Latin America had fallen due to the appearance of new types of nuclear missiles which has diminished the role of the "geographic factor". Moreover, the

rapid development in the 1960s of a number of synthetic materials had led ruling circles in the US to believe (though, as it turned out, not for long) that the American economy would no longer need much of the raw material supplied by the Latin American countries. At the same time, it was supposed that the new strategy would make it possible to ease inter-American tensions and increase the influence of the US in the countries south of the Rio Grande.

One other distinguishing feature of the Republicans' policy was a more pragmatic (even compared with the Johnson Administration) approach to Latin American affairs: attempts to conduct socio-economic reforms were given up, economic backwardness was to be overcome by "latinisation".

Apparently, both John Kennedy and Richard Nixon were guided by the desire to ensure the long-term interests of the US in Latin America. However, whereas in the early 1960s the best way to achieve this (from the viewpoint of Washington politicians) was by conducting reforms "from the top", in the late 1960s and early 1970s, such reforms came to be seen as too costly considering available resources. Thus there was a need to search for new tactics. The Alliance for Progress was replaced with the "Programme of Action for Progress", the fundamental principle of which was "self-reliance" or "equal responsibility". Either way, what was indicated was that the Republicans were turning away from US obligations to promote economic development in the region. This programme revised provisions in the Carta de Punta del Este concerning industrialisation as a priority goal of the Alliance Programme and the promotion of socio-economic reforms in Latin America. Of course it would be pointless to speak here about an equal partnership between the US and Latin America. Changing the emphasis from "assistance" to "partnership" (or in the language of finance—commercial loans) made the Latin American countries even more dependent on the US, which in the 1970s tightened the rules for granting loans and credits.

Increasing the volume of credits and loans granted by US-controlled international capitalist banks and financial organisations such as the International Monetary Fund (IMF), International Bank for Reconstruction and Development (IBRD) and the Inter-American Bank for Development



(IABD) only made it easier for the US to use foreign financing as an instrument in its Latin American policy. In this way, it was possible to notably increase the material contribution of the allies due to the "division of responsibility" and, at the same time, conceal the real reason behind the imperialist aid.

But, despite these differences between the Latin American policies followed by the Republicans and Democrats, it would be impossible to say that there was a sharp—much less principal—change of course. Not only did Washington stick to its previous strategy in Latin America—safeguarding the interests of American monopolies in the area and ensuring that the region remain dependent on the US and a part of the capitalist system—it continued to use basically the same tactics as well, it having simply evolved to reflect adaptation to the new political reality in the world as a whole and the western hemisphere in particular.

Rockefeller's report and the equal partnership policy, which transferred the major role in economical and political expansion in the region to private American corporations, merely served to confirm the general trend of shifting the burden of "assistance" in the hands of private capital, a trend that had already become apparent in the years of the Johnson Administration. Nixon's withdrawal of support from regimes of representative democracies also indicated a direct continuation of Johnson's course. In this respect, the equal partnership policy went hand in hand with the Mann Doctrine. Richard Nixon stressed: "...We must deal realistically with governments in the inter-American system as they are."<sup>11</sup>

US relations with military regimes in the region typically characterise America's low-profile policy. In contrast to the theoretical considerations mentioned in Rockefeller's report, which recommended that the country support those military regimes capable of becoming a principal force for conducting constructive social changes, Washington's practical policy followed the old pragmatic course of American imperialism in Latin America—a course directed toward creating and supporting viable reactionary military regimes capable of guaranteeing the status quo and providing the police power to suppress

liberation and revolutionary movements. Certain points in the Alliance for Progress Programme that were successfully transferred to the Rockefeller Report (acknowledgement of the necessity for reform, the call to create a system of trade preferences, plus all the phraseology about equal partnership) in fact served only as a cover for the hard-line policy being implemented as much as possible by Washington's allies in order to avoid a crisis in US relations with Latin America.

The "selective approach" in relations with the regional countries was a new and important component of Nixon's Latin American policy (and even more significant in subsequent administrations).

By the end of the 1960s it had become virtually impossible to continue this course due to the diversity of socio-economic and political paths the Latin American countries were following: "Diversity among nations to the south is significant, and is growing. Such diversity will frustrate any effort to implement a general policy for the entire area."<sup>42</sup> At the same time, sharper conflicts in inter-American relations prompted the Latin American countries to unite in a common struggle to defend their national interests, and this caused considerable concern in Washington's ruling circles. Concern began to grow in May 1969 after the Viña del Mar Agreement, which reflected the Latin American countries' general dissatisfaction with US policy, was unanimously approved in Chile.<sup>43</sup>

The so-called "diplomacy of preferred allies", i.e., the policy of distinguishing those countries in Latin America that Washington thought played a special role in the region, was a logical continuation of the selective approach policy. In the first half of the 1970s, Brazil met these qualifications better than any other country. After the military coup in 1964, this South American country actively supported first Johnson's Latin American course and then Nixon's. In accordance with the concept of "political multi-polarity" that ruling circles in Washington were now promoting, Brazil, sharing a border with all the countries of South America save

Equador and Chile and possessing the largest repressive military apparatus in the region, was a perfect choice to fill the role of a local centre of power and become one of America's preferred allies.

This multi-polarity theory, which Kissinger is credited with devising, suggested that the international situation in the world today was characterised by the existence of several state-centres of political and economic gravitation which in one degree or another attracted other countries. American political analysts believed there were five major centres of power: the USA, USSR, West Europe, Japan, China. But the concept also allowed for the emergence of local centres of power in different regions (for example, Brazil in South America, Mexico in Central America, Venezuela in the Caribbean, Nigeria in West Africa, Iran in the Mideast, etc.), which, according to the Americans, would serve to complicate the world situation even further and make it possible for Washington to form different kinds of political power combinations.

Brazil's influence on its border states, the country's rapidly growing economic and military potential, "great power" pretensions and Ytamarati's (Brazil's Ministry of Foreign Affairs) anti-communist foreign policy made Brazil the logical choice for the role of preferred ally in the US State Department's partnership hierarchy that had been devised for Latin America. "As Brazil goes, so will go the rest of that Latin American continent," Nixon declared when Êmilio Médici, the Brazilian President, arrived in Washington at the end of 1971.<sup>43a</sup> Nixon's comment was harshly criticised in the Latin American countries, and Brazil came to be known as a "sub-imperialist power".<sup>44</sup>

The American-Brazilian alliance was built on the following principles: the US Government and American transnational corporations provided a large influx of capital to finance the "Brazilian economic miracle",<sup>45</sup> backed the country in its traditional rivalry with Argentina for regional supremacy and supported its efforts to achieve the status of a "great power"; in turn, the Brazilian Government created the most favourable conditions possible for exploiting the huge natural and labour resources of the largest country in Latin America by US monopoly capital, supported the US

in the system of inter-American relations, backed Washington's global policy and took upon itself the "independent function" of suppressing the liberation of the Latin American peoples. It was precisely this function that allowed the US to decrease its blatant acts of intervention in the affairs of its southern neighbours.

When Brazil gained the status of a preferred ally, it became possible for Washington, with a minimum amount of effort, to strike heavy blows against the liberation movement in the region and to impede (in certain areas) the progress of patriotic, democratic and anti-imperialist forces. But on the whole, even when reinforced with the preferred ally concept, Washington's low-profile policy proved unable to alter the international climate in Latin America to any significant degree.

#### **4. US Monopolies—a Threat to the National Sovereignty of Latin America**

Pointing to the Nixon Administration's low-profile policy in Latin America and to the lack of evidence of direct US military intervention in the affairs of the regional states at the end of the 1960s and early 1970s, some American political analysts hastened to announce the advent of a new era in inter-American relations characterised by Washington's non-intervention in the affairs of its southern neighbours. Luigi Einaudi, a well-known expert on international affairs, who at the time held a responsible position in the sphere of foreign policy in the State Department, was the man who largely developed this concept. Einaudi noted that in the 1970s, intervention was less a prominent feature of US policy in Latin America than in the 1960s: "Interventionism has been replaced with indifference."<sup>46</sup>

However, the facts show that the development of positive trends in foreign policy and the desire of the Latin American countries to follow an independent course in international affairs and expand ties with the socialist countries and developing Asian and African states were actively resisted

by US imperialist circles, which persisted in searching for means to preserve and strengthen their positions in the region. High hopes were placed on the transnational corporations, which had demonstrated an uncanny ability to adapt to changes in Latin America.

And, in fact, from 1970 to 1975, the direct investments of US monopolies in Latin America grew from 14.8 billion dollars to 22.1 billion, while sales from their Latin American affiliates increased from 20.1 billion to 57.2 billion dollars.<sup>47</sup> Moreover, TNC investments were being concentrated in those areas of development that showed good prospects for development (chemical, machine building, electrical engineering), while local capital was primarily left with the light and food industries (private sector) and with the branches having a long period of amortisation of fixed capital (state sector). In this way, the transnationals managed to wrest from national control commanding positions in the country's economy. With the expansion of the positions of industrial transnationals in Latin American industry, this dependence took on a new meaning. Penetrating the socio-economic structures of the regional countries, TNC affiliates became an integral part of these structures capable of influencing the development of Latin America not only from the outside but from the inside as well.<sup>48</sup>

Lenin often noted the "inseparable connection existing between economic rule and political rule".<sup>49</sup> With the onset of the imperialist era and the transformation of monopoly capital into the primary force in the economy of the US and other capitalist countries, the opportunity arose on the international scene to influence not only the country where capital was based but the recipient countries as well. "Finance capital," Lenin stated, "is such a great, such a decisive, you might say, force in all economic and in all international relations, that it is capable of subjecting, and actually does subject, to itself even states enjoying the fullest political independence."<sup>50</sup> Judging from the reality of the present situation in Latin America, Lenin's words ring true as never before: the dependence of the Latin American countries on international capital, primarily US

capital, has become deep and pervasive.

The TNC seizure of many key positions in the economy of the region and concentration of extraordinary economic might in their hands has already hindered the Latin American governments from implementing programmes for socio-economic development and carrying out independent domestic and foreign policies. This condition has been remarked upon in a number of reports prepared by government agencies and international organisations. A report of the US Senate Foreign Affairs' Commission states, in part: "Progressive industrial denationalization tends to diminish the economic sovereignty of host countries."<sup>51</sup> UN experts have ascertained that the activities of these corporations often undermine "the ability of nation-states to pursue their national and international objectives" and can therefore be viewed as "a challenge to national sovereignty". Moreover, it is noted that due to the nature of the transnationals—huge economic capacities, global activities, etc.—"conflicts between governments and such corporations assume greater and more complex proportions". Often a government, especially that of a developing country, does not have the power to take effective measures against the TNC. A global phenomenon such as a TNC does not fall under any national jurisdiction and is virtually impossible to control, nor does there exist any international authority or body possessing the necessary means to ease the tension which develops as a result of the relations between the TNC and the nation-state.<sup>52</sup>

Taking advantage of this situation, the transnationals endeavor to legalise their presence and activity in the world as global organisations and, as the French monthly *Le Monde Diplomatique* noted, they wish to "obtain recognition of an international status that places them in the same category as states".<sup>53</sup> In other words, the monopolies wish to be recognised as subjects of international law on the same level as sovereign nations. This situation has made transnational activity an urgent political and juridical problem.

US monopoly capital has always opposed progressive changes in Latin America, supported reactionary regimes and often taken direct part in suppressing liberation movements (for example, the direct participation of the United Fruit Company

in crushing the 1954 Guatemalan Revolution).<sup>54</sup> Yet up to recent times, imperialist forces have relied on such methods of confronting the Latin American liberation struggle as using the working of the inter-American system and, in emergency situations, direct military intervention. The situation changed drastically in the late 1960s and early 1970s when the balance of power in Latin America and the world as a whole was sharply altered. It was during this time that Washington used the transnationals as the imperialists' strike force in Latin America.

Transnational interference was especially widespread in those Latin American states which were already actively seeking to strengthen their national sovereignty, regain control of their natural resources which had been seized by the monopolies, establish national control over the major branches of the economy, solve urgent social problems and conduct an independent foreign policy. It was the transnationals that first took action against the Cuban revolution. The oil companies refused to process Soviet oil in their Cuban refineries and after Cuba decided to nationalise Exxon assets, the monopoly initiated an economic blockade against the island and blacklisted ships calling at its ports.

In the late 1960s, the transnationals began to actively campaign against the nationalist policy of Peru's military government which was directing a course toward socio-economic change in the country. Working together with the capitalist international finance organisations, the monopolies prompted "capital flight" from Peru: from 1968-1969, more than 160 million dollars was transferred abroad, i.e., approximately 20 per cent of Peru's overall volume of foreign investment.<sup>55</sup> At the same time, the banks imposed a credit blockade against Peru, thinking to "financially starve" the country. American private capital obstructed in various ways the activities of nationalised enterprises, provoked anti-government demonstrations, applied pressure at the inter-state level, etc. The objective was to force the Peruvian people to turn back from their chosen path of liberation.

The transnationals played a malicious role in organising the overthrow of the Allende Government in Chile. With the cooperation of the CIA, the American company International Telephone and Telegraph (ITT) plotted against the Popular

Unity Government before it even came to power. Later, ITT and a number of other transnationals worked out a special plan designed to destabilise the Chilean economy. The plan included such measures as sharply curtailing Chile's credit with international banks, buying less Chilean copper and ensuring that prices for the commodity dropped on the world market, limiting Chilean imports to the US, encouraging different American governmental agencies to take up the fight against the Popular Unity, taking a hard line with respect to Chile's foreign debt, supporting the bourgeois press which criticised the Allende Government, etc. Thus, all the cold war tactics were used by the international monopolies against Chile which played no small part in creating favourable conditions for internal reaction in Chile. It was the transnationals which decisively prepared the ground for the fascist overthrow, and, as was the case with ITT, staged the coup.<sup>56</sup>

The transnationals often resorted to blackmail and direct interference in the affairs of Venezuela in order to prevent that government from exercising its sovereign right to nationalise the iron ore and oil industries. When in the summer of 1971 the Venezuelan Congress adopted a law stipulating the time limit and conditions for bringing the major natural resources under the control of the government, the transnationals launched a vicious anti-Venezuela campaign. The oil companies began to cut oil production, dismantle and ship out equipment. Later monopoly agents instigated a propaganda campaign in the press of a number of Latin American countries, in effect encouraging the governments to oppose Venezuela's policy directed toward protecting its oil wealth. Moreover, the monopolies took advantage of the increased price of oil which affected the interests of importing countries. Representatives of oil TNC tried to persuade the Latin American public that Venezuela was responsible for the importing countries' balance of payment crisis that had occurred due to the increased price of oil and that the Central American countries should demand that Venezuela cut its prices. In this way the monopolies planned to strike a blow against Venezuela and create another obstacle in the path of strengthening inter-Latin American cooperation. Thus, the policies of the oil TNC constituted gross interference not only in the



internal affairs of Venezuela but in international relations within Latin America.

The US monopolies United Brands and Standard Fruit wished to reintroduce the big stick policy and open imperialist diktat in the so-called banana war which they instigated against several Latin American banana exporting countries (Panama, Honduras, Costa Rica). In 1974 these countries took joint action to protect their national interests: they decided to raise the export duty on bananas. In retaliation, the monopolies destroyed an enormous quantity of fruit, halted exports and began to fire workers, hoping, in this way, to impose their will on the exporting countries. Moreover, the companies organised conspiracies to kill Omar Torrijos, Panama's head of state, and overthrow governments in other countries.<sup>57</sup>

All these events clearly demonstrated to what extent the monopolies are prepared to interfere in the internal affairs of states and the danger US corporations pose to the national sovereignty of Latin American countries.

At the same time, the transnationals actively support repressive military dictatorships in Latin America. Chile's military junta, for example, has received a generous "dose of dollars". It is in large part due to the backing of US corporations that the reactionary regimes of Uruguay and a number of other Central American and Caribbean countries manage to cling to power. This policy clearly reveals the political sympathies of American monopolies, which endeavor to establish pro-imperialist regimes in all the countries of the region.

US monopolies encourage militarisation in the region, try to sow suspicion and discord among the Latin American countries and weaken Latin American solidarity.

## **5. US Government Support for the Expansion of Transnationals in the Latin American Region**

US foreign policy is typically characterised by widespread support for the activities of American corporations abroad. The imperialist government has backed in every way possible

and at all stages the expansionist efforts of the transnationals in Latin America. From "dollar diplomacy" to "good will missions", Washington has sought to strengthen the position of affiliates in host countries. American James Petras and Australian Morris Morley collaborated on a book entitled *The United States and Chile* in which they offer the following opinion: "Despite the far-flung and diffuse interests that the multi-nationals possess, and despite the enormous economic resources at their disposal, they do not possess the military, financial, ideological, and administrative apparatus that define the imperial state. The growth, expansion, and survival of the multinationals is in large part dependent on the action of the imperial state." And further: "In today's world, without the imperial state the multinationals stand as impotent giants."<sup>58</sup>

Basing their studies on a Marxist-Leninist analysis of socio-political and economic phenomena, Soviet scholars have convincingly shown that in the imperialist era, just as the bourgeois state has increased its influence over all aspects of life in the capitalist society, monopolies have come to increasingly use the state apparatus for the purpose of creating optimal conditions for foreign investment.<sup>59</sup>

Of course, governmental support of monopolies such as that recalled by General Smedley Butler, who more than once sent in the Marines to Latin American countries in order to protect the interests of the "boys" from National City Bank and other companies and banks, has now been relegated to the past. But the methods of support used now, though perhaps not so blatant and obvious, are no less effective.

American political analysts cannot deny the fact that intervention on the part of American monopolies into the affairs of Latin America has increased. Some acknowledge that the intensified activities of the transnationals in the 1970s and their gross interference in the political life of Latin American countries clearly contradicted the principles of the low-profile policy.

In order to better understand the principal motives which guide official circles in Washington in their relations with the activities of the transnationals in Latin America it is important to realise the significance of this activity for US political and economic interests. We consider the following

to be especially indicative. First of all, despite the lesser role being played by Latin America in the overall volume of American monopolies' foreign investments, the region continued to provide an important source of profits for the multinationals in the 1960s and 1970s. For example, from 1960 to 1972, operations in Latin American countries accounted for 45 per cent net profits, which were transferred by American monopolies to the US.<sup>60</sup>

In the 1970s, ruling circles in the US became especially interested in providing optimal conditions for the activities of "raw material" transnationals in the region. This was largely explainable by the oil embargo imposed by the Arab states and also by the rapid and unexpected rise in America's dependence on foreign sources of raw material. Latin America has been an important source of many raw materials and agricultural produce for the US. In the first half of the 1970s, the region supplied America with 100 per cent of its banana imports, tin concentrate—99 per cent, bauxite—96 per cent, fluor-spar—88 per cent, oil products—80 per cent, beryllium—71 per cent, coffee—68 per cent, sugar—57 per cent, lead—57 per cent, molybdenum—53 per cent, copper—47 per cent, vanadium—43 per cent, aluminium and tungsten—40 per cent, antimony—37 per cent, zinc—36 per cent, iron ore—35 per cent, oil—34 per cent, manganese—33 per cent, mercury—17 per cent, etc.<sup>61</sup> Additionally, as American scholar Robert Swansbrough noted, Latin America's significance for the US is not just determined by quantitative indicators. No less important is the fact that the region's geographical location makes it a more reliable raw material base than, say, Asia, the Mideast or Africa. Keeping this in mind, American political figures insist that Washington should show more concern for relations with Latin America.

Ruling circles in the US are also interested in supporting the expansion of transnationals in Latin America because of their social strategy, which calls for nurturing capitalist relations in the region. Speaking about this side of the multinationals' activities, then Secretary of State Dean Rusk underscored the fact that the significance of American monopolies' operations in Latin America could not be measured only in dollars. He further noted that in the future,

the contacts established by American businessmen with their counterparts in the region could be of more value to the US than the transfer of profits. Thus, in Rusk's words, the US Government was "prepared to intercede on behalf of American firms and make strong representations to host governments".<sup>62</sup>

It is typical that, despite Washington's claims to have deeply altered its Latin American course, the policy remained essentially the same. Thus the words William Rogers used to describe the Nixon Administration: "...it was a 'business administration' in favor of business and its mission was to protect business",<sup>63</sup> offer a fitting description of all Washington administrations. This is the quintessence of the class nature of American politics, no matter who is in the White House. The objective is to encourage in every way possible transnational expansion abroad and to defend the corporations' "legitimate interests" in the host countries.

By analysing the concrete forms and methods Washington employed to support multinational corporate activities in Latin America in the 1970s, it is possible to distinguish the major trends of monopoly expansion in the region.

First of all, the imperialist state uses the export of capital. It is interesting to note that from 1960 to 1972 as private (direct and indirect) US capital investment in the Latin American countries increased by 130 per cent (i.e., from 11.5 billion dollars to 26.5 billion), state capital investments grew almost 250 per cent (from 2.1 billion dollars to 7.1 billion). Moreover, their share in the overall American investments in the region increased from 16 to 21 per cent.

After Nixon came into office, the bourgeois state began to increase its assistance to those monopolies which had interests in Latin America. The forms and methods of state assistance to private companies were further streamlined. Of special significance was the formation of The Overseas Private Investment Corporation (OPIC) in 1969, which provided insurance for the holdings of multinational corporations in developing countries and thus encouraged the export of private capital from the US. OPIC was instrumental in promoting the investment of American capital in Latin America. Of the

400 monopolies questioned in a special survey, 70 per cent indicated that an agreement with OPIC was the "principal condition" for capital investment in the region.<sup>64</sup> We are of the opinion that in a number of instances an agreement with OPIC untied the hands of the multinationals and allowed them to interfere in the internal affairs of Latin American countries. In all probability, ITT would never have acted so brazenly in Chile had not the company's capital investment in the country been insured by OPIC.

Whereas OPIC led to an increase in multinational investment in Latin America, it also served to exacerbate the inter-American contradictions which arose due to US efforts to impede the sovereign right of the regional nations to nationalise foreign holdings. As a matter of fact, the insurance agreements to protect foreign investments signed between American companies and OPIC (for all intents and purposes the US Government) include articles which give the state-insurer the right to replace the private company in the eventuality of receiving remuneration or demanding compensation for the nationalisation of the private holdings. Thus, the dispute concerning the size and conditions of compensation payments, which is generally settled by the judiciary of the nationalising state, becomes a conflict between two nations (in this case, between the US and the Latin American country). This method of insuring private foreign investments in OPIC violates judicial norms and acting principles of international law, and oversteps traditional diplomatic protection. According to the French journal *Le Monde Diplomatique*, the insurance agreements themselves are "devoid of all international validity."<sup>65</sup>

Some US political figures (for example, Edward Kennedy and Frank Church) considered that the practice of insuring foreign investments and making the American government responsible for protecting monopoly interests was wrong and harmful to the interests of the US. Moreover, a number of "big business" representatives expressed scepticism of OPIC activities, noting that the negative effects which this organisation had produced on the state of inter-American relations in the final result hurt the multinationals. This was the position reflected in the first report of the special

commission on Latin American relations headed by the former American OAS representative Sol Linowitz. One of the report's suggestions was to decrease state involvement in private investment matters and to have the multinationals assess and assume risks on their own.<sup>66</sup> However, while criticising OPIC activities at the time, many Washington officials were in favour of creating an analogous organisation which would include the countries of Western Europe and Japan. This was a blatant attempt to give OPIC an international character and thus strengthen its position. As Senator Edward Kennedy frankly stated, such an organisation would make it possible to "put tremendous pressure on host governments because they are looking for investment".<sup>67</sup> It goes without saying that these plans did not appear to include any attempt to search for a constructive approach to the solution of the complex problems of inter-American relations connected with the multinationals.

Washington devises different pressure techniques for those countries which nationalise affiliates. For example, the Hickenlooper amendment was attached to the 1962 law on international aid. This amendment called for a complete cut-off of American aid to those states which did not offer "just" compensation to the companies within six months of the nationalisation or had not at least taken steps to solve the conflict. The Hickenlooper amendment, which was in fact a crude form of economic blackmail, was applied by the Nixon Administration to Peru (after the 1968 nationalisation of an Exxon affiliate) and to Chile during the time of the Popular Unity Government. True, it should be stipulated that in the case of Peru, Washington did not officially invoke the amendment. But as an American political analyst noted, six months after the nationalisation programme, America's foreign aid policy to Peru "simply died gently".<sup>68</sup>

Right from the start Chile's Popular Unity Government came under enormous economic pressure from the transnationals and Washington.

As a result of the American journalist John Anderson's 1972 investigative report and a subsequent Senate hearing on ITT and Central Intelligence Agency activities, it was discovered that the CIA had closely cooperated with the monopolies in subversive actions against Chile. Senator Church observed that

relations between ITT and the CIA were so close that it was difficult to know where one began and the other left off.<sup>69</sup> This in itself refutes the claim that the US state apparatus was not a party to the monopolies' anti-Chile activities. On the contrary, all the subversive actions taken by the transnationals were approved and supported by Washington. For example, as early as January 1971, the US Congress began to threaten the Popular Unity Government. Senator Jacob Javits declared that if the Chilean Government nationalised American companies this would lead to the exclusion of Chile from the inter-American system and decisively weaken the country's economic ties with other countries in the western hemisphere. A Chilean political magazine noted that Javits' position was one of openly defending the interests of the transnationals.<sup>70</sup>

Washington became especially concerned with supporting the corporations after the holdings of the American mining monopolies Anaconda and Kennecot were nationalised. In August 1971 (a month after the nationalisation) representatives of EXIMBANK of the United States informed the Allende Government that Chile's credit would be cancelled until the country settled accounts with the monopolies. At a State Department meeting between multinational representatives and William Rogers in October 1974, it was decided to take joint action against the Popular Unity Government. It was at this meeting that concern was expressed lest Chile set off a "domino effect" in Latin America, i.e., other regional states might follow Chile's example and nationalise the assets of American corporations. Thus, Washington had billions of dollars worth of multinational investments in Latin America at stake in its fight with the Popular Unity Government. This goes a long way in explaining why Washington so zealously sought to protect the interests of Anaconda, Kennecot, ITT and other monopolies whose affiliates had been nationalised by Chile.<sup>71</sup>

Official circles in Washington were constantly coming up with new methods to help defend the interests of the multinationals in revolutionary Chile and other Latin American countries. The Nixon Administration was especially active in this sphere. Nixon's announcement on January 19, 1972, concerning the nationalisation of American companies abroad was a significant demarche. Affirming Washington's negative

apply the Hickenlooper amendment in the future, Nixon announced Washington's decision to persuade international capitalist finance organisations to refuse credit to those countries which nationalised the holdings of American multinationals without "prompt, adequate and effective compensation".<sup>72</sup> In March, Nixon's proposal was approved by the US Congress in the Gonzales amendment to the foreign aid bill of 1972. Thus, the unilateral action of the Hickenlooper amendment was replaced with multilateral action and now such organisations as the IMF, IBRD and IADB were directly supporting multinational expansion.

It should be noted that even before the Gonzales amendment was adopted the Nixon Administration had used its influence with international banks to pressure the governments of Latin American countries. Specifically, Ecuador and Bolivia came under such pressure in 1971.

So Nixon's statements and the adoption of the Gonzales amendment were to a significant degree merely the official formulation of pressure tactics that were already being used. It is our opinion that such a formulation was necessary in order to apply strong economic pressure against the government of Chile, a country that was already one of the IADB's largest borrowers and the first country to ever borrow from the IBRD. From 1964 to 1970, Chile received 121 million dollars from the IBRD (an average of 17 million dollars per year) and 209 million dollars from the IADB (an average of 30 million dollars annually).<sup>73</sup> During the years that the Popular Unity Government was in power, Chile received a mere 11.6 million dollars from the IADB, while the IBRD did not give the country a single cent.<sup>74</sup> Robert McNamara, President of the IBRD stated that the banks were refusing to grant Chile credit due to the country's "insufficient solvency". In fact, one of the banks' loan conditions was that Chile compensate the nationalised companies, i.e., adhere to the Nixon formula.

Acting as an intermediary between the monopolies and host countries, American diplomacy defends the interests of the transnationals. For example, three high-ranking US special missions functioned in Peru from 1968 to 1975 to protect the



interests of nationalised companies. Often, American diplomats stationed in Latin America would act to defend the transnationals, sometimes grossly interfering in the internal affairs of the regional states. In the summer of 1973, for example, when the Argentine Congress was studying a bill that would limit the activities of multinational affiliates in the country, the US Embassy wrote a series of memorandums which, according to Argentina's Minister of Foreign Affairs, contained "veiled threats" against the Perón Government.<sup>75</sup> A similar situation occurred in Mexico in 1972, also at a time when a new bill concerning foreign investments was being considered. Here, American Ambassador Roger MacBride acted as an advocate for the multinationals. Describing the actions of American diplomats, Mexican scholar Bernardo Sepúlveda Amor stressed that they were acting not as representatives of the government in whose service they were employed, but as spokesmen and defenders of the interests of private companies.<sup>76</sup> And of course there is no contradiction here: in the service of the bourgeois state, American diplomats serve those whose interests the state reflects.

The multinationals' widespread practice of turning to the governments of those countries where their companies were based was one of the major sources of friction in the western hemisphere. Leaning on the principles of the Calvo Doctrine,<sup>77</sup> the Latin American states did not think that foreign companies should be able to turn to their home countries for diplomatic immunity. These principles have been included in the constitutions of a number of regional states (see, for example, Art. 17 of Peru's Constitution) and have been reaffirmed many times by official statements issued by Latin American governments. At the beginning of 1975 the Argentine Government addressed the US State Department with an appeal to strictly adhere to the principles of the Calvo Doctrine.<sup>78</sup> Throughout the 1970s the Latin American countries were increasingly concerned with having these principles institutionalised into international law, and this topic was often brought up in talks with the US.

It was the opinion of many UN experts that if the principles of the Calvo Doctrine were recognised as international law, this would improve international relations and

lessen the probability of conflict between the host countries and governments of parent companies.<sup>79</sup> However, the demands of the Latin American countries were strongly rebuffed by the US, which refused to recognise the principles of the Calvo Doctrine. Instead, Washington continued to insist on its "right" to defend the interests of US transnational affiliates and, by applying pressure to the host countries, to attain optimal conditions for monopoly activities. Should the holdings of these monopolies be nationalised, Washington would insist upon "just" compensation. On December 30, 1975 (i.e., a year after the UN General Assembly approved the Charter of Economic Rights and Duties, one of the provisions of which included the principles of the Calvo Doctrine)<sup>80</sup> Washington's position was confirmed in a special statement issued by the State Department.

Another issue of conflict between the US and the Latin American countries concerning multinational activities arose in connection with the drawing up of a "Code of Conduct" for the monopolies. The Latin American countries were of the opinion that such a Code should be universal in nature, i.e., it should affect all the major aspects of monopoly activities on a global scale. Moreover, the regional states thought that one of the Code's major provisions should be the mandatory consideration of the trade, economic and financial interests of the host countries and the protection of their national sovereignty from encroachment by the multinationals. Thus, the Latin American countries considered the institutionalisation into international law of the monopolies' Code of Conduct to be one of the concrete measures that could limit multinational expansion.

The monopolies became especially concerned after the Code of Conduct introduced and adopted by the Latin American countries received the widespread support of the UN, which formed a special Commission on Transnational Corporations. Now Washington had to review its previous position of flatly refusing to acknowledge any international regulation over the activity of multinationals. It should be noted that this position was increasingly coming under fire in the US itself. For example, some congressmen favoured Washington's participation in working out the Code of Conduct. However, though certain

Washington officials announced their support of the Code, the US tried to utterly distort the original idea. The American version of the Code called for rules of conduct to be followed not only by the multinationals but the host countries as well. This represented another effort to place the monopolies on the same level (from the point of view of international law) as sovereign states.

Washington's plan was embodied within the framework of the Organisation for Economic Cooperation and Development (OECD).<sup>81</sup> At the beginning of 1975 a Committee on the Activities of Transnational Corporations was organised in affiliation with the OECD. The Committee worked out a declaration on international capital investment and multinational companies that was adopted in June 1976 and purported to be a code of conduct for the host countries as well as the transnationals. The prestigious Mexican journal *Comercio Exterior* had this to say about the declaration: "It is important to clarify the fact that it was upon the initiative of the US that the OECD Code was adopted for reasons clearly explained by the head of the American delegation to the negotiations. According to this high official, the US was increasingly concerned by efforts to regulate the activities of international corporations at the national level. Consequently the US Government concluded that maintaining a passive attitude in the face of restrictive tendencies abroad could result in the serious erosion of the 'liberal climate for international investment' and, faced with such a danger, it was necessary to adopt a more active policy in establishing within the OECD a code of 'good conduct' for the transnationals."<sup>82</sup>

Not surprisingly, the above-mentioned declaration was adopted. In the opinion of Latin American experts, one of its most important features was the demand that host countries not impede the expansion efforts of the transnationals and grant them the same rights as local companies. It should also be noted that in ostensibly devising certain regulations concerning transnational activities within the imperialist camp, the declaration in fact gave the monopolies complete freedom to operate in the developing countries, which, of course, are those most exploited. Thus, any laws adopted by the western powers

concerning the activities of the transnationals are directed toward optimising conditions for the expansion of monopolies abroad.

The low-profile policy applied to America's "preferred allies" and directed toward encouraging US monopoly expansionism in Latin America demonstrated Washington's unwillingness to base relations with its southern neighbours on principles of equality and non-interference in the internal affairs of one another. While proclaiming international detente, the US in fact kept Latin America removed from the process. As evidence we may cite such actions as the continuing economic blockade against Cuba, the support of terrorist and antidemocratic regimes and intervention in the affairs of states seeking political and economic independence. As pointed out by Octavio Ianni, the United States has "tried to maintain cold-war diplomacy on the continent, while promoting peaceful coexistence in other areas".<sup>83</sup>

It is understandable that such an approach was not in keeping with the reality of events unfolding in Latin America. Thus, the low-profile policy resulted in the further division of the US and Latin America on a wide range of international problems. As Luigi Einaudi noted: "Events seem to be slowly but inexorably drawing the two Americas apart."<sup>84</sup> Realising this situation, Washington was forced once again to review its Latin American policy.

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2. *Current History*, Vol. 56, No. 334, June 1969, p. 340.
3. *Documents on Inter-American Cooperation*, Philadelphia, 1955, Vol. 2, 1881-1948, p. 178.
4. The OAS Charter was signed on 30 April 1948 at the Ninth Inter-American Conference in Bogota. For additional information see: S.A. Gonionski, *Latinskaya Amerika i SShA, 1939-1959: Ocherki istorii diplomaticheskikh otnosheniy*, Moscow, 1960; B.I. Gvozdev, *Organizatsiya amerikanskikh gosudarstv*, Moscow, 1960.
5. *United States Military Policies and Programs in Latin America*. Hearings before the Subcommittee on Western Hemisphere Affairs of the Committee on Foreign Relations, United States Senate, Washington, 1969, pp. 23, 57.
6. O. Ianni and M. Kaplan, *América Latina y Estados Unidos. Relaciones políticas internacionales y dependencia*, Lima, 1973, p. 143.
7. For additional information see: P.N. Boiko, *Latinskaya Amerika: ekspansiya imperializma i krizis kapitalisticheskogo puti razvitiya*, Moscow, 1973.

8. For additional information see: B.I. Gvozdev, "Soyuz radi progressa" i yego sushchnost' (krizis latinoamerikanskoi politiki SShA), Moscow, 1964; A.A. Matlina, *Kritika kontseptsii "mirnoi reguliruyemoi revolyutsii" dlya Latinskoi Ameriki*, Moscow, 1971; G.A. Kumanev, G.K. Seleznev, *Amerikanskaya politika "novykh rubezhei" v Latinskoi Amerike*, Moscow, 1972.
9. Milton Eisenhower, *The Wine Is Bitter. The United States and Latin America*, New York, 1963, p. 254.
10. V.I. Lenin, "Lecture on the 1905 Revolution", *Collected Works*, Vol. 23, Progress Publishers, Moscow, 1977, p. 247.
11. *Strany Latinskoi Ameriki v sovremennykh mezhdunarodnykh otnosheniyakh*, p. 298.
12. See: Yu.M. Melnikov, *Vneshnepoliticheskiye doktriny SShA*, Moscow, 1970, pp. 212-17.
13. *United States Military Policies and Programs in Latin America*, p. 87.
14. A.I. Kedrov, *Novye tendentsii v diplomatii latinoamerikanskikh stran*, Moscow, 1979.
15. Declaration on the Principles of Inter-American Relations. Doc. OAS/ser. GCP/ACTA 115/74, Washington, January 9, 1974.
16. In 1950 the gross domestic product of the Latin American countries (at official currency rates) was 12 per cent of the corresponding US indicator, and in 1976—20 per cent. Comparing these indicators by the actual buying power of the currencies shows an even greater jump—from 25 per cent in 1950 to 40 per cent in 1976. *Mirovaya ekonomika i mezhdunarodnye otnosheniya*, No. 5, 1979, pp. 147, 148.
17. *Documents and Resolutions. XXVth Congress of the CPSU*, Novosti Press Agency Publishing House, Moscow, 1976, p. 16.
18. *El Día*, April 5, 1973.
19. Declaration on the Principles of Inter-American Relations, Doc. OAS/ser. GCP/ACTA 14/20, Washington, 1974.
20. *México y América Latina: La nueva política exterior*, Mexico, 1974, p. 50.
21. *Pervyy syezd Kommunisticheskoi partii Kuby*, Moscow, 1976, p. 568.
22. *Vneshnyaya trgovlya SSSR v 1970*, Moscow, 1971; *Vneshnyaya trgovlya SSSR v 1979*, Moscow, 1980.
23. See: *Strany SEV i Latinskaya Amerika. Problemy ekonomicheskogo sotrudnichestva*, Moscow, 1976; *Strany SEV i Latinskaya Amerika. Mezhdgosudarstvennye politicheskiye i kulturnye svyazi*, Moscow, 1979; A. Sizonenko, *Sovetskiy Soyuz i Latinskaya Amerika (Sovremenniy etap otnoshenii)*, Kiev, 1976.
24. Trade and Economic Relations Between Latin American Countries and Countries Members of the Council for Mutual Economic Assistance. Doc. UNCTAD V, TD(243), Suppl. 2, Manila, 1979.
25. *Granma*, August 23, 1975.
26. For additional information see: *Mezhdgosudarstvennye otnosheniya v Latinskoi Amerike*, Moscow, 1977.
27. *U.S. Economic Relations with Latin America*. Hearings before the Subcommittee on Inter-American Economic Relationships and the Joint Economic Committee. U.S. Congress, Washington, 1977, pp. 91-92.
28. The following works deal with this subject in greater detail: R.A. Tuzmukha-

- medov, "Neprisoyedineniye: 'latinoamerikanski etap?'" , *Latinskaya Amerika*, N 1, 1972; V.N. Nikolayev, "Ot Belgrada k Gavane", *Latinskaya Amerika*, N 4, 1979; L.A. Levchenko, "Avangardnaya rol Kuby", *Latinskaya Amerika*, N 4, 1979; K. Kobo, "Forum neprisoedinivshikhsja stran: (Itogi konferentsii v Gavane)", *Latinskaya Amerika*, N 1, 1980.
29. *Latin America Economic Report*, London, 1978, July 21, p. 220; 1978, October 6, p. 305.
  30. H.D. Rodriguez, E. Fors Garzon, *Los Paises subdesarrollados frente a Estados Unidos (1970-1975)*, Havana, 1978, p. 271.
  31. Henry Kissinger, *American Foreign Policy*, New York, 1977, p. 62.
  32. *Ibid.*, p. 105.
  33. *United States Foreign Policy for the 1970s: A New Strategy for Peace*, New York, 1970, p. 42.
  34. *Doctrina Niksona*, Moscow, 1972, p. 17.
  35. *Nixon on the Issues. Nixon-Agnew Campaign Committee*, New York, 1968, pp. 37-38.
  36. For additional information see: V.V. Zhurkin, *SShA: mezhdunarodno-politicheskiye krizisy*, Ch. 5, Moscow, 1975; A.G. Arbatov, *Bezopasnost v jadernyi vek i politika Vashingtona*, Ch. II, Moscow, 1980.
  37. The effect of the technological revolution on US foreign policy and international relations as a whole are explored in the following works by Soviet authors: *SShA: nauchno-tekhnicheskaya revolyutsiya i tendentsii vneshney politiki*, Moscow, 1974; *Globalnaya strategiya SShA v usloviyakh nauchno-tekhnicheskoy revolyutsii*, Moscow, 1979; N.M. Nikolski, A.V. Grishin, *Nauchno-tekhnicheskii progress i mezhdunarodnye otnosheniya*, Moscow, 1978.
  38. *Foreign Affairs*, October 1972, pp. 222-25.
  39. *The Department of State Bulletin*, Washington, December 8, 1969, pp. 505, 507, 517-22.
  - 39<sup>a</sup>. *Latin America and the United States: the Changing Political Realities*, Stanford, 1974, p. 32.
  40. For additional information see: G.F. Vishnya, *Latinskaya Amerika: vneshne-politicheskiye otnosheniya v sovremennykh usloviyakh*, Moscow, 1978, pp. 48-53.
  41. *Vital Speeches of the Day*, New York, November 15, 1969, p. 73.
  42. *Changing Latin America. New Interpretations of Its Politics and Society*. Proceedings of the Academy of Political Science, No. 4, Vol. 30, New York, 1972, p. 167.
  43. *The Department of State Bulletin*, January 3, 1972, p. 13.
  - 43<sup>a</sup>. *Department of State Bulletin*, 1972, January 3, p. 13.
  44. L. Karlos Prestes, "Vneshnepoliticheskiye kontseptsii i tseli brazilskogo subimperializma", *Latinskaya Amerika*, N 6, 1976.
  45. It is indicative that from 1972-1974 Brazil received an average annual of 5.1. billion dollars in foreign loans and credits and 770 million dollars in the form of direct transnational investments. No other country in the developing world received such a huge amount of funds (*Brazil in the Seventies*, Washington, 1976, p. 95).
  46. *Latin America and the United States: The Changing Political Realities*, p. 251.

47. *Survey of Current Business*, Washington, August 1975, p. 23; February 1977, p. 36; August 1977, p. 44.
48. For additional information see: V.V. Volskiy, "Leninizm i problemy revolyutsionnogo protsesssa v Latinskoyi Amerike", *Latinskaya Amerika*, N 2, 1970; V.V. Volskiy, "Latinskaya Amerika v sisteme sovremennogo kapitalizma: (Nekotorye voprosy diskussiy)", *Latinskaya Amerika*, N 3, 1979.
49. V.I. Lenin, "Bourgeois Financial Magnates and Politicians", *Collected Works*, Vol. 19, Progress Publishers, Moscow, 1977, p. 242.
50. V.I. Lenin, "Imperialism, the Highest Stage of Capitalism", *Collected Works*, Vol. 22, Progress Publishers, Moscow, 1974, p. 259.
51. *Multinational Corporations in Brazil and Mexico: Structural Sources of Economic and Non-economic Power*, Washington, 1975, p. 150.
52. *Multinational Corporations in World Development*, New York, 1973, pp. 2, 43, 46.
53. *Le Monde Diplomatique*, April 1975, p. 1.
54. The different aspects of reactionary policies followed by US monopolies in the region have been discussed in a number of works by Soviet scholars. See, for example: V.V. Volskiy, *Latinskaya Amerika, neft i nezavisimost*, Moscow, 1964; A.N. Glinkin, *Noveishaya istoriya stran Tsentralnoi Ameriki*, Moscow, 1975; K.S. Tarasov, *Latinskaya Amerika i SShA*, Moscow, 1972.
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56. For additional information see: M.F. Kudachkin, A.V. Borisov, V.G. Tkachenko, *Chiliiskaya revolyutsiya: Opyt i znachenie*, Moscow, 1977.
57. For additional information see: P.P. Yakovlev, "Sotrudnichestvo latinoamerikanskikh stran v borbe protiv bananovykh monopolii", in the book *Nekotorye problemy mezhlatioamerikanskikh otnosheniy*, pp. 67-89.
58. J. Petras, M. Morley, *The United States and Chile*, New York, 1975, p. VIII.
59. See, for example: N.N. Inozemtsev, *Sovremennyi kapitalizm: novye yavleniya i protivorechiya*, Moscow, 1972; *Politicheskaya ekonomiya sovremennogo monopolisticheskogo kapitalizma*, Vol. 2, Moscow, 1975; R.S. Ovchinnikov, *Wall Street i vneshnyaya politika*, Moscow, 1980.
60. *Multinational Corporations in Brazil and Mexico*, p. 11.
61. *U.S. Economic Relations with Latin America. Hearings...*, p. 153; *The Department of State Bulletin*, May 3, 1976, p. 587; *Raw Materials and Foreign Policy*, Washington, 1976, p. 107.
62. *Foreign Investment in Latin America*, New York, 1966, pp. 181, 183.
63. J. Petras, M. Morley, op. cit., p. 89.
64. E. Baklanoff, *Expropriation of US Investments in Cuba, Mexico, Chile*, New York, 1975, p. 142.
65. *Le Monde Diplomatique*, April, 1975, p. 8.
66. *The Americas in a Changing World*, New York, 1975, p. 54.
67. *Congressional Record*, Washington, April 11, 1973, p. S10852.
68. *U.S. Foreign Policy and Peru*, p. 251.
69. I.D. Ivanov, *Mezhdunarodnye korporatsii v mirovoi ekonomike*, Moscow, 1976, p. 160.
70. *Cuadernos de la realidad nacional*, Santiago, N. 13, 1972, p. 2.

71. For additional information see: *Vneshnyaya politika pravitelstva Narodnogo edinstva Chili*, Moscow, 1976, Ch. III.
72. *Congressional Record*, January 24, 1972, p. 873.
73. *Inter-American Development Bank. Annual Report 1970*, Washington, 1971, p. 4.
74. *Inter-American Development Bank. Annual Report 1973*, Washington, 1974, p. 37.
75. *Latin America: The Search for a New International Role*, New York, 1975, p. 12.
76. Amor B. Sepulveda, Brody O. Pelicerde, L. Meyer, *Las empresas transnacionales en Mexico*, México, 1974, p. 65.
77. In 1868 the Argentine diplomat C. Calvo formulated a doctrine directed against the intervention of European powers into Latin American affairs under the pretext of collecting debts of their subjects from the Latin American governments. Today the doctrine is interpreted as the principle of disallowing diplomatic or any other form of intervention on the part of states where parent companies are based into relations between transnational affiliates and host countries (see: *Multinational Corporations in World Development*, p. 97).
78. *Prensa Confidencial*, Buenos Aires, February 3-11, 1975, p. 3.
79. *Multinational Corporations in World Development*, p. 97.
80. See: *Mezhgosudarstvennye otnosheniya v Latinskoj Amerike*, pp. 104, 105.
81. *Organisation for Economic Cooperation and Development*, uniting industrialised capitalist countries.
82. *Comercio exterior*, No. 6, June 1976, p. 630.
83. *Latin America and the United States. The Changing Political Realities*, p. 43.
84. *Ibid.*, p. 250.



## *Chapter Two*

### **US Latin American Policy in the Mid-1970s**

#### **1. The Controversy in the US Concerning Latin American Policy and Tactical Adjustments**

By the mid-1970s the Republican Administration's Latin American policy was coming under increasing criticism in Congress and among academic circles. Many recommendations and proposals were being made to rectify the "miscalculations" and correct US policy in the region.

Summing up the major arguments of the critics, who were united under the slogan "political realism", it was clear that the low-profile policy was unable to avert the worsening of inter-American relations, which was beginning to be felt in all areas. Many Washington officials had come to the conclusion that the low-profile policy in Latin America had reached an impasse.

What were these "new political realities" which had come to exert such a strong influence on the development of inter-American relations? The well-known Latin American expert Kalman Silvert distinguished the most important as being the persistent efforts of a large group of Latin American states to take collective action in the international arena, to put up a united front vis-à-vis the US. And many American political analysts criticised the low-profile policy by observing that its initiators had overlooked the processes conducive to greater Latin American solidarity opposed to the US. A number of well-known American political scientists berated the ideological provisions and formulas of the Rockefeller report, on which the Republican Administration had based its Latin American policy, claiming that they were reminiscent of the cold war. At the same time, attempts were made to show that the course pursued by the Republican Administration was an "anomaly", a departure

from the usual policy conducted by the US in Latin America. As Sol Linowitz observed at a Senate hearing before the Subcommittee on Western Hemisphere Affairs: "With the history of everything from the 'Monroe Doctrine' through 'Alliance for Progress' and so on to say that now we adopt a 'low profile' confuses the countries of Latin America and seems to them to be inconsistent with our previous relations."<sup>1</sup>

The growing uneasiness in relations between the US and Latin America plus the fact that certain countries in the region were conducting an independent foreign policy led many prominent Washington figures to criticise Nixon's Latin American policy. Senator Edward Kennedy declared: "The 'low-profile' policy of the administration has turned out to be a policy of complete absence. Thus we've lost the opportunity to evaluate the changes in Latin America and to duly influence them."<sup>2</sup> Edward Muskie, another American senator, also characterised the policy as "non-policy".<sup>2a</sup>

A large group of prominent senators, including Edward Kennedy, Michael Mansfield, Frank Church, Jacob Javits, Claiborne Pell, George McGovern and others, were increasingly adamant in their demands that urgent measures be taken to improve the climate in inter-American relations. They specifically proposed that the normalisation of diplomatic relations with Cuba begin immediately and that a constructive approach be taken to the problem of the Panama Canal. More and more Washington officials were of the opinion that the United States should halt its 'increasingly vain attempts to isolate Cuba diplomatically and commercially'.<sup>3</sup>

On the other hand, the extreme right was also critical of the administration's policy. Such was the content of the "scientific research" and publications of the Rand Corporation where, for example, the development of trade, economic and political ties between the USSR and Latin America was seen as part of a "global Soviet conspiracy".

As far as government agencies were concerned, many authoritative American political analysts believed that the State Department and Agency of International Development (AID) were more inclined to pursue a policy of detente in relation to Latin America while the Pentagon, CIA and, in a number of instances, the Department of Finance promoted taking a hard

line approach. This situation unquestionably made it more difficult for Washington to achieve consensus in its foreign policy. But it would be a mistake to exaggerate the significance of the conflicts and disagreements among Washington's ruling circles that existed at that time and still exist today. However, one often finds in American political literature claims that these differences were in large part to blame for the failure of Washington's Latin American policy. And some experts endeavor to explain the weakness of US policy in Latin America with the help of the popular theory introduced by Graham Allison whereby the class character of Washington's foreign policy is virtually negated. Instead, it is said to be "pluralistic" and "fragmented" inasmuch as power in the country is dispersed among a large number of "semi-autonomous" agencies and "individuals" with decision-making authority.

The unfavourable turn of events in inter-American relations forced the Republican Administration to take urgent measures to improve the situation. It was decided to "upgrade" the relations from the low-profile policy. On a trip to Latin American countries in May 1973, Secretary of State William Rogers stated that, "President Nixon's decision four years ago to pursue a less intrusive role in the hemisphere has been erroneously perceived in some quarters as an attempt to disengage from our close association with the hemisphere. The fact is that the United States has not the slightest interest in diminishing its close association with the hemisphere. We want to strengthen and perpetuate it by placing it on a sound basis of equality".<sup>4</sup>

The US State Department was trying to convince Latin America that Washington was conducting a new Latin American policy now called "mature partnership". But practically speaking, all that was meant was a few changes that would, at least temporarily, dampen the anti-American sentiment in the region. Secretary of State Rogers explained that this new policy would not treat all of Latin America as a single entity, but would evaluate each country in accordance with its particularities.<sup>5</sup> Thus the above-mentioned "selective approach" was to be of fundamental importance in US relations with Latin American states.

The principal goal of this policy soon became evident — to splinter the increasingly strong solidarity movement in Latin

America, to turn back the process of strengthening regional cooperation.

The "mature partnership" policy was coolly received by governmental circles in Latin America as well as the public at large. The successes the regional states had scored due to conducting a unified policy in a number of important spheres of economic and political cooperation had convinced them of the necessity to put up a united front in their relations with the US.

Henry Kissinger, taking control of US foreign policy when he was appointed Secretary of State after Nixon's re-election, considered the altering of the country's Latin American policy a matter of top priority. At an October 5, 1973, meeting of foreign ministers from Latin America and the Caribbean (who had gathered for the 28th UN General Assembly session), Kissinger, speaking on behalf of the American President, declared Washington's readiness to begin a "new dialogue" with its southern neighbours and discuss all matters of concern to Latin American countries in a spirit of "friendship based on equality and mutual respect".<sup>6</sup>

The proposed "dialogue" was of particular interest in that it was to take place outside the framework of the OAS and involve almost all the states of the western hemisphere (excluding Cuba and Canada). Moreover, for the first time the US agreed to examine the demands the Latin American states had jointly formulated, thus acknowledging its previous policy of ignoring requests to collectively solve regional problems to be erroneous. In taking this step, the US was not only seeking a compromise but a far-reaching goal—to halt the growing trend for Latin American countries to diversify their foreign policy ties, to present the western hemisphere as a united bloc (or a specific subsystem of international relations) with characteristics common only to the regional countries, and thus restore pan-Americanism.

There were political reasons as well for conducting talks outside the OAS framework. *Le Monde Diplomatique* observed: "When the US Secretary of State speaks about the lethargy of the OAS which is contrary to the dynamism necessary for relations between countries, he expresses most of all vexation that the US is being betrayed by its own creation. Since the US is no

longer capable of automatically controlling the OAS, it has begun to think about creating a new system of inter-American relations. This is what has been called the 'new dialogue'... It is a question of taking the reins and beginning again..."<sup>7</sup>

In the time remaining before the meeting, the US tried to smooth out the sharper differences in its relations with the Latin American countries.

The Tlatelolco Conference (named for the area of the Mexican capital where the Ministry of Foreign Affairs was located) was conducted in two stages: from February 18 to 20—as yet another preparatory meeting of representatives from Latin American countries; and from February 21 to 23—as the "new dialogue" with Henry Kissinger. The final document — the Declaration of Tlatelolco — included several provisions which objectively met the economic and political interests of the regional states. The Declaration stated in part that inter-American cooperation must be based on such principles as sovereign equality and non-interference, the non-use of force and "respect for the right of countries to choose their own political, economic and social systems".<sup>8</sup>

Kissinger's proposal to create a so-called new western hemisphere association was turned down. Correctly identifying this proposal as an attempt to revive pan-Americanism, the Latin American delegates considered it imperative to affirm in the Tlatelolco Declaration the "reality of Latin American unity" and "similarity of the problems of Latin America and those of other developing countries". The representative of the Chilean junta was the sole supporter of the US proposal. In addition, the Latin American countries succeeded in writing into the Declaration a provision calling for the revision of the concept of regional security, which "cannot and should not be based solely on political-military criteria". The document went on to say that, "International cooperation must be supplemented by the establishment of a system of collective economic security".<sup>9</sup>

Including a provision on collective economic security in the Tlatelolco Declaration marked a significant (though forced) compromise on the part of the US. However, the American diplomats were successful in having a provision on interdependence, which Kissinger advocated at the

conference, included in the final document.

The basic idea behind "interdependence", a concept worked out by leading American political scientists and economists in the mid-1970s, was that the rapid growth of internationalisation of economic ties in the modern world had greatly increased the states' mutual economic dependence. Thus, the countries which are at present experiencing the consequences of inequality in international economic relations should not hasten to take independent measures to change their situation lest in worsening the economies of developed capitalist centres, they in turn do even greater harm to their own. The terms of the interdependence concept reflected the desire of official circles in Washington to revive inter-American solidarity. The Tlatelolco Declaration states: "The modern conditions ... make impossible the narrow pursuit of purely national interests. Interdependence has become a physical and moral imperative... A new vigorous spirit of inter-American solidarity is essential."<sup>10</sup>

The Tlatelolco Declaration was, on the whole, contradictory, providing for the interests of both the US and Latin America. Upon closer examination of the document, it was evident that these were often conflicting interests.

The second round of talks in the "new dialogue" took place on April 17-18, 1974, i.e., two months after the close of the Tlatelolco Conference. Though the question of lifting the sanctions against Cuba was not formally on the agenda, the issue of relations with that country turned out to dominate this second stage of talks. The US was again compelled to make concessions to the Latin American countries. Even as the talks were in progress, the US State Department gave Argentine affiliates of American companies permission to sell a huge shipment of cars to Cuba. And Kissinger even agreed in principle to inviting Cuba to participate in the third round of "new dialogue" talks (to take place in Buenos Aires) and offered to carry out additional consultations to find out the viewpoints of all Latin American states on the issue.<sup>11</sup> Common sense had won a victory.

The economic section of the Washington Communique (like the Tlatelolco Declaration—the final document of the meeting) contained only promises from the US that it would improve trade and economic relations with its southern neighbours. No concrete measures were mentioned. However, at the insistence

of the majority of the Latin American states, the necessity for creating a system of "collective economic security" was mentioned once again.<sup>12-13</sup>

On the whole, most of the Latin American governments were pleased with the results of the two rounds of "new dialogue" talks with the US. It was especially noted that these talks had promoted cooperation among the Latin American states. The "new dialogue" also gave rise to certain illusions among the ruling circles in Latin America concerning changes in Washington's policy. However, these were soon dispelled by subsequent events.

The trade law adopted by the US in 1974, which deprived Venezuela and Ecuador (member-nations of OPEC) of the most favoured nation status and also included a threat to impose sanctions against other states belonging to raw-material exporting associations, stirred up a storm of resentment south of the Rio Grande. At a meeting of the Permanent Council of the OAS on January 23, 1975, an overwhelming majority of votes (20, with the US abstaining) were cast in favour of adopting a resolution condemning the US Government for passing a discriminating tax law. Many Latin American representatives termed the law "economic aggression".<sup>14</sup> As a sign of protest, Venezuela and Ecuador refused to participate in the third round of "new dialogue" talks, and most of the other Latin American states expressed their solidarity with that decision. Therefore Argentina, the country that was to organise the meeting, announced that the talks would be postponed for an indefinite period.<sup>15</sup> The cancellation of the third round of talks (almost entirely the fault of the US) again demonstrated Washington's unwillingness to honour its signed agreements.

Speaking in Houston, Texas, on March 1, 1975, Secretary of State Henry Kissinger called for a resumption of the "new dialogue". The tone of his speech clearly expressed concern for the fact that a majority of Latin American states were taking an increasingly active role in the "confrontation between the industrialised and the developing nations",<sup>16</sup> and also rallying behind their economic and political interests. However, as governmental circles in Washington were forced to admit, prospects for renewed talks remained very dim. At a Senate hearing before the Subcommittee on Western Hemisphere

Affairs, Senator Gale McGee remarked that as far as the "new dialogue" was concerned, there was no hope of reconciliation, at least in the near future. McGee went on to add that the "marriage" between the US and Latin America that seemed possible in 1974 had given way to a "trial separation".<sup>17</sup>

The failure to achieve a "new dialogue" and the deepening crisis in the OAS and all the other institutes in the inter-American system (resulting from the unfavourable—for the US—outcome of the vote on lifting anti-Cuban sanctions at the 15th Consultative Meeting in Quito) heightened the controversy in the US concerning the country's Latin American policy. The New York Centre for Inter-American Relations, which is financed by such large monopoly corporations as General Motors, Exxon, IBM, Chase Manhattan Bank and others, took a leading role in this dispute. Acting as a forum for "informal contacts", the Centre put out a series of publications especially devoted to Latin American issues and critical of the regional policy being pursued by Republican administrations.

At the end of 1974 the State Department received for review a report written by a special Commission on Inter-American Relations which had been organised by the Centre and chaired by Sol Linowitz. Taking part in the Commission's work were such well-known specialists on Latin American affairs as Kalman Silvert, Riordan Roett, Fred Bergsten and others. Other members included representatives of US political circles and some of the country's largest monopolies. The political weight of the commission can be judged by the fact that one of its members, William Rogers, was appointed deputy secretary of state for inter-American affairs at the end of 1974. After the publication of the commission's report, Kissinger stated at a press conference that he basically agreed with its recommendations.<sup>18</sup>

The commission's major conclusion was that the United States "should change its basic approach to Latin America and the Caribbean".<sup>19</sup> It was suggested that economic and trade issues be chosen to serve as a new basis, inasmuch as at the present time these were the crucial concerns of all the Latin American states without exception. The report stated: "Military security need not be the overriding goal and ordering principle for US policy in Latin America. Economic issues instead will



be the critical ones during the coming years."<sup>20</sup> It was clear that the report was taking into consideration the political mood of the regional countries and indicated that some US ruling circles were eager to review Washington's Latin American policy in the hopes of adapting it to political reality in the western hemisphere.

After five months of work, the Commission came up with a report that included the following recommendations: to put an end to covert as well as direct interventions in inter-American affairs; promote human rights in the region; lift the trade and economic blockade against Cuba and normalise diplomatic relations with that country; arrive at a constructive solution to the problem of the Panama Canal by taking into consideration the demands of Latin American countries; halt the practice of offering bilateral military aid but at the same time continue the commercial sale of weapons and reach an agreement on limiting the arms race in the region; overturn the legislation which called for economic sanctions if an American company's holdings were nationalised (i.e. nullifying the Hickenlooper and Gonzales amendments); work out special privileges for Latin America within a general system of preferences for developing countries (specifically, to revoke provisions of the 1974 trade laws which excluded Venezuela and Ecuador from the preferential system); devise a code of conduct for American transnationals in the region; reorganise the inter-American system, taking into consideration the wishes of the Latin American countries; and alter the regulations of the Inter-American Bank of Development so as to make it more difficult for the US to use the workings of the Bank to further its foreign policy interests.

As we see, the report of the Linowitz Commission was basically critical and strongly urged that regional and global shifts in the balance of power be taken into consideration. The document stated in part: "The principal issues of US policy toward Latin America will increasingly be issues which are not peculiar to US-Latin American relations, but rather involve global economic and political relationships".<sup>21</sup>

The desire of "political realists" to view US-Latin American relations with respect to global issues raised the question of the feasibility of preserving the country's so-called "special relations" with the region, which since the time of the Monroe

Doctrine had been an integral part of US foreign policy. This was a topic especially discussed at the hearing of the Linowitz Commission report in 1975 before the Subcommittee on Western Hemisphere Affairs.

The "political realists" were of the opinion that the classic politics of the "special relations" with Latin America as they were understood and conducted in the 19th and early 20th centuries were now definitely a thing of the past, and that it would be unrealistic and therefore dangerous to try to revive them in their initial form. Some American political analysts (Sol Linowitz, Albert Fishlow, Fred Bergsten) based their arguments on the dynamic growth of economic and socio-political development in the region as well as the Latin American countries' more extensive international contacts. Others (Martin Needler, Jack Hopkins) believed that the country's "special relations" policy had failed principally due to the increasing divergence of US and Latin American interests, especially evident in recent years.

However, many American politicians and political analysts considered it necessary to establish new "special relations" with Latin America. Some (Edmund Caspar, John Plank) directly called for their re-establishment with Latin America as a whole, since they believed these relations to be "historically rooted".<sup>22</sup> And some (Morales Carrion, Thomas Skidmore) proposed limiting the "special relations" to the countries located in close proximity to the US—Mexico, the Caribbean subregion, Central America recognising their "geopolitical importance" for the US. But to one degree or another, all the above-mentioned experts linked America's "special relations" in the political sphere with the mandatory transfer of economic relations between the US and Latin America to a global level and based on the principle of interdependence.

American political analysts and government officials made no attempt to conceal the fact that their primary concern was to keep Latin America in the world capitalist system. Their efforts were mainly concentrated on creating a particular "image" of Latin America as a region called upon to imitate the socio-economic structure of the US. American business circles were interested in Latin American sources of raw materials, food and energy resources. Even during the year

of the presidential election when the democratic-controlled Congress indulged in endless confrontations with the Republican Administration, the prevailing mood was to change the country's Latin American policy. The process was initiated with Kissinger's trip to six Latin American countries (Guatemala, Venezuela, Brazil, Colombia, Costa Rica, Peru), in February 1976. The purpose of the visits was to revive the region's confidence in the United States after it had been seriously impaired by the failure of the "new dialogue".

Kissinger's trip demonstrated that, on the one hand, the Administration was eager to consider the proposals of the Linowitz Commission in its Latin American policy and, on the other, would continue to conduct the "preferred allies" policy that was rooted in the Nixon Doctrine.

Washington's "new, more open relations" policy with the countries of Latin America was in principle based on the same concept of interdependence which in fact represented a system of various forms of dependence of the Latin American countries on their northern neighbour. The concrete proposals made by the Secretary of State during his trip could be summed up as follows: the US would promise to make American technology more accessible to the more economically developed states in the region, in accordance with Washington's intentions to take into consideration the requirements of capitalist modernisation. The poorer states were offered somewhat increased American economic aid (although in fact the amount of bilateral aid from the US decreased from 1 billion dollars in 1965 to 200 million dollars in 1978).<sup>23</sup>

At the same time, Kissinger cautioned the Latin American states against seeking a "confrontation" with the US, by this meaning collective action to defend their national trade and economic interests. The United States believed that the "interdependence" and the mutually complementary character of the economies of the states in the western hemisphere would make it possible to weaken the foundations of cooperation between Latin America and other developing countries. In a collective work on the subject, a group of Soviet specialists in the field wrote: "Technological dependence is a key factor in holding the regional states within America's orbit of influence. In receiving access to modern technology, the Latin American

countries must refrain from participating in OPEC and other organisations of raw material exporting countries.”<sup>24</sup>

Moreover, the “more open relation” signified the final refusal of the United States to take a regional approach in its relations with Latin America.

Kissinger used his trip to try to organise an anti-Cuban campaign, split the strengthening unity of the Latin American countries and play on the contradictions between them.

At the same time, ruling circles in the US were trying to streamline the policy of “preferred allies” and “selective favouritism”. This was why Kissinger paid so much attention to Brazil on his trip — according to the Republican Administration, this was the key country, not just in Latin America but in the developing world as a whole.

The most important practical result of Kissinger’s visit to Brazil was the signing on February 21, 1976, of the Memorandum of Understanding on issues of common substantive concern.

Brazil’s Minister of Foreign Affairs first proposed such an agreement in 1974, and official circles in Washington approved the idea. The ruling elite was becoming increasingly concerned by the growing trend in Brazil’s foreign policy to extend ties with neighbouring Latin American countries, develop contacts (particularly trade and economic) with socialist states and demonstrate support (at least verbally) for the struggle of the Arab peoples against Israeli aggression. Brazil had also joined with other countries in the UN in condemning Zionism. In signing the American-Brazilian agreement, US ruling circles were seeking to neutralise these positive steps in Brazil’s foreign policy and strike a blow at Latin American solidarity. Even the American press was compelled to acknowledge this fact. Reporting on Kissinger’s trip, the *Washington Post* observed: “The agreement seemed designed to keep Brazil in the U.S. orbit and away from any flirtation with nonalignment.”<sup>25</sup>

A close examination of the American-Brazilian Memorandum made it clear that the agreement was considered a “trump” in America’s game of diplomacy and was to be used by official circles in Washington to try to attain the fundamental goal of their Latin American policy at that time. The following facts make this evident.

First, the Memorandum was totally discriminatory concerning relations between the United States and not only Latin America but the developing countries in general inasmuch as it gave Brazil the same legal "preferred ally" status as Japan, Canada and leading countries in Western Europe. Thus, Brazil was distinguished from the rest of Latin American countries and even placed in opposition to them.

Second, summing up his Latin American trip before the US Congress, Kissinger maintained that the agreement with Brazil was merely bilateral and did not affect the interests of any third countries.<sup>26</sup> However, the text of the Memorandum implied that the agreement bore not only on bilateral issues but also those concerning multilateral relations. In principle, this gave the US the opportunity to exert influence on the decision-making process in the Latin American Economic System and other regional and subregional Latin American organisations and agencies of which Brazil was a member. Thus, budding Latin American cooperation based on the regional countries' common struggle for national interests was being threatened by imperialist forces.

Third, the Memorandum mentioned American-Brazilian cooperation concerning questions of "security". This was a clear indication of the intention of ruling circles in the US and Brazil to strengthen their military alliance and expand collaboration between the two countries' intelligence, police and other special services in the fight against "subversive" actions. In practice this would signify Washington's even more widespread use of Brazilian special services to counter the anti-imperialist liberation movement in Latin America.

Thus, the American-Brazilian agreement legalised a new type of relationship between the United States and the largest country in Latin America and came to exemplify "preferred ally" diplomacy.

It should also be noted that the signed American-Brazilian agreement by no means eliminated all the differences in the relations between the two countries, specifically, concerning the question of Angola. Brazil was among those countries that had recognised the MPLA Government immediately after Angola declared its independence and maintained normal diplomatic, trade and economic relations with it. The US, which was offering

aid to the counter-revolutionary groups FNLA and UNITA, was extremely displeased with Brazil's position. At the time of his visit Kissinger openly stated his concern about the Brazilian Government's policy with respect to Angola. Still, Brazil's Minister of Foreign Affairs, A. Azeredo da Silveira, reaffirmed his country's position of acting according to its own national interests and recognising the MPLA Government. Serious conflicts between the US and Brazil also arose regarding a number of trade issues. Of particular importance was Brazil's huge trade deficit (1.6 billion dollars in 1975). Thus, as the *New York Times* reported, after Kissinger's talks with Brazilian officials, "Both sides appeared to be far apart on key issues that have strained relations between the United States and Brazil".<sup>27</sup> The *Christian Science Monitor* echoed this opinion, stating that despite the friendly nature of American-Brazilian relations, after the signing of a new agreement between Brazil and the US there were significant differences, especially in the sphere of the economy.<sup>28</sup>

Kissinger's visit coincided with the disclosure of several large-scale illegal deals made by American monopolies in some Latin American countries. The companies had, among other things, bribed state officials in the region in order to receive lucrative government contracts. The activities of Lockheed Aircraft in Colombia, Occidental Petroleum in Venezuela and Gulf Oil in Bolivia were under investigation. Kissinger was forced to acknowledge the fact that the American companies had acted disreputably and promised that the United States would devise legal measures to halt the practice of bribery. Moreover, the Secretary of State declared that the Republican Administration was prepared to cooperate with other interested countries in working out a Code of Conduct for the transnationals, something many Latin American states had been insisting upon for many years.

It should be noted that the activities of the American corporations represented one of the most important and complicated issues in inter-American relations. This was a topic that often came up during Kissinger's trip. And the fact that the US Secretary of State was forced to answer the persistent demands of the Latin Americans and agree to discuss "at the place of their choice" the future Code of Conduct reflected Latin America's

greater political power. After all, previously, official circles in Washington would not even consider any kind of international measure that might limit the expansion of American monopolies abroad, much less in the region of Latin America.

Kissinger's trip plus the pointed debates being conducted in the US concerning the country's relations with Latin America clearly demonstrated that the Republican Administration's Latin American policy was continuously being changed, primarily due to the necessity of adapting (albeit often somewhat belatedly) to the rapid changes occurring in the world as a whole and Latin America in particular. Washington was seeking ways to turn the new international situation to its advantage. American monopolies with vested interests in Latin America's mineral sources, food and fuel were making an endeavor to create conditions which would promote the continued exploitation of the region. In this situation, America's low-profile policy could not attain high efficiency: its extreme pragmatism and emphasis on providing for the short-term interests of the US (primarily those of the transnationals) ultimately threatened the long-term goals of American imperialism in the region inasmuch as the result was increasing conflicts over economic and other relations between the US and Latin America.

The "new dialogue" policy marked the beginning of US active efforts to turn the development of inter-American relations to Washington's advantage. Kissinger's proposal to create a new "Western Hemisphere Community", to be based on the theories of interdependence and the mutually complementary character of the economies of the US and Latin America was directed toward the goal of integrating in a single entity—the western hemisphere—the most developed country in the capitalist world and a conglomeration of developing states. The unique "division of labour" envisaged in this model would have preserved Latin America's subservient position as a source of cheap raw materials and at the same time, guaranteed the region's development along capitalist lines. American diplomacy changed accordingly: instead of seeking to destabilise undesirable governments (in the socio-political sense) the US would now follow a more flexible policy of economic blackmail with the help of high technology. In this way the United States was making another effort to revive pan-Americanism, this time based on eco-

conomic criteria. While military and political considerations were temporarily shoved aside, they nevertheless still remained factors.

## 2. The Reorganisation of the OAS

The 1970s marked a new stage in the Latin American countries' diplomatic efforts to restructure and reorganise the inter-American system, which, as international relations in the western hemisphere increasingly revealed, was clearly outdated.

The first reforms made in the OAS Charter in the mid-1960s reflected the distribution of power in the inter-American system at a time when objective conditions for the transfer of political initiative to the Latin American countries had only just begun to develop. During this period, the United States persistently tried to include in the OAS Charter a provision for forming a standing inter-American armed force similar to that which was used to suppress the liberation movement in the Dominican Republic in 1965.<sup>29</sup> But the Latin American countries declined this proposal. The final reform document—the Buenos Aires Protocol—came into force in February 1970. According to Miguel Angel de la Flor Valle, Brazil's Minister of Foreign Affairs, the OAS principles and institutions established by the reform did not meet the demands of most of the Latin American countries.<sup>30</sup>

The new OAS Charter reform instituted in the 1970s was exclusively "Latin American" in nature. The creation of special guarantees to ensure the socio-economic development of the Latin American countries was considered a top priority task. It was precisely for this reason that political circles in the region offered widespread support for the idea establishing a close connection between the economic development of the state and its national security. And there was much effort to have the OAS convention adopted concerning collective economic security and cooperation for development.

The majority of Latin American countries were definitely in favour of reviewing the traditional principles of the inter-American system—replacing the concept of military security with a system of collective economic security. Speaking at the 10th Conference of Army Commanders of Western Hemisphere



Countries which took place in Caracas in September 1973, Peru's Prime Minister, General Edgardo Mercado Jarrín, declared that it was the weak development and impoverished position of the peoples that posed the greatest threat to peace in the region. He went on to say that aside from its traditional meaning, the concept of security included the sovereign right of each country to control its own natural resources and also to be granted the financial and technological opportunity to provide for comprehensive economic development.<sup>31</sup> General Raul Carcagno of Argentina fully supported this position.

Representatives from Mexico, Venezuela, Colombia, Panama and Costa Rica repeatedly spoke out in favour of radically changing the principles upon which the system of inter-American security was based. At a meeting of the Permanent Council of the OAS, Venezuela's representative stated that in order to provide for true equality among states it was necessary for the Rio de Janeiro Treaty to deal with economic issues.<sup>32</sup> The Popular Unity Government of Chile also actively supported radical reforms in the inter-American system's concept of security and underscored the fact that in the modern world economic aggression could have just as severe consequences as military aggression.

The 1970s clearly demonstrated that the overwhelming majority of Latin American states desired the restructuring of inter-American trade and economic relations. This was one of the topics discussed at the 8th annual session of the Inter-American Economic and Social Council held from January 30 through February 8, 1973, in Bogota. The resolution adopted by the session reflected the "general dissatisfaction with the development of inter-American cooperation",<sup>33</sup> and the entire session was characterised by the Latin American delegates' criticism of Washington's policy in the region. The Peruvian representative, Luis Marchand Stens, stated: "Our position is in favour of a new system of cooperation which must effectively contribute to the economic independence of Latin American countries."<sup>34</sup>

The demands of the Latin American delegations were rebuffed by American representative Charles Meyer, who even refused to sign the session's final document, the Declaration of Bogota.

The Declaration once again stated the trade and economic demands the Latin American countries had so often made of the United States. It also drew attention to the significance of detente and the movement toward eliminating ideological barriers in trade and economic relations in the world, and the acknowledgement of those systems of development which each country chose independently, in accordance with its own ideological concepts and without any infringement of sovereignty. These last sentences in the Declaration underscored the Latin American countries' dedication to the concept of "ideological pluralism", which had become, along with the doctrine of collective economic security, the basis for the struggle to reform the inter-American system.

The Declaration of Bogota recognised the importance of economic ties between the Latin American countries and the EEC and Japan, and also the need for the "intensification of contacts with socialist countries". Unlike the Viña del Mar Agreement, which still expressed hope in the inter-American system, the Bogota Declaration directly called for a complete restructuring of inter-American relations. Later, the Declaration of Bogota, along with other documents, formed the basis of the work of the Inter-American Commission on Study of Inter-American System and Measures for Its Restructuring which was created at the Third OAS General Assembly session in 1973. It was at this session that initial efforts were made to radically reorganise the inter-American system. Under pressure from the majority of Latin American countries, the members of the conservative group (the US, Brazil, Nicaragua, Paraguay) were forced to vote in favour of the resolution proposing the creation of the Special Commission, which had been introduced by delegations from Peru, Chile and Uruguay. However, the fact that the US accepted the resolution by no means indicated that Washington agreed with all its principles, as subsequent events were to show. The United States was trying to feign its "good intentions" and belief in the "common interests" of the countries of the western hemisphere in order to later divide the Latin American countries. It was therefore not by chance that in his message to the session's delegates President Nixon stressed "interdependence" as the most important factor in the hemisphere.<sup>35</sup>

The unanimously adopted resolution No. 127 expressed "general dissatisfaction with the functioning and results of the inter-American system" and reflected the desire of the majority of Latin American member-states of the OAS to carry out urgent reforms based on the principles of equality, self-determination, non-intervention in one another's internal affairs and "recognition of the plurality of political, economic and social systems".<sup>36</sup> The resolution gave top priority to the issue of development.

At the Fourth Session of the OAS General Assembly held in Atlanta (USA) in 1974, representatives from Peru, Panama, Argentina, Mexico and Colombia expressed their dissatisfaction with the results of the Inter-American Commission on Study of Inter-American System. A number of delegates blamed the United States and the reactionary regimes which followed in its path for purposefully drawing out the review process.

In July 1975, at a conference of plenipotentiary representatives of OAS member-states, which was held directly following the 5th OAS General Assembly in the Costa Rican capital of San José, a protocol of amendments to the Inter-American Treaty on Mutual Assistance (San José Protocol) was signed.

Throughout the entire period of the Commission's work, most of the Latin American states expressed their desire to narrow the sphere of military-political obligations which they had assumed under the Inter-American Treaty on Mutual Assistance. The most persistent advocates of a radical change in the military-political articles of the Rio de Janeiro Treaty were Peru, Mexico, Panama, Venezuela and also Chile during the time when the Popular Unity Government was in power. This group of countries, which had initiated the campaign for a reform of the juridical principles of the inter-American system, was also, logically, making an effort to eliminate the military-political bloc created by the US in the western hemisphere.

In January 1977, the Permanent Council approved the draft articles of the OAS Charter concerning the system of collective economic security and the adoption of a special treaty which would envisage the creation of such a system.

While the Permanent Council was discussing two draft conventions—concerning cooperation for development and

collective economic security—the US delegation tried to prevent their adoption.

The first convention, which had been proposed by Panama, was approved unanimously; however, the USA abstained on several principal articles concerning the sovereign right of all states to nationalise and expropriate transnational affiliates, to exercise control over private foreign capital investment and to regulate the activities of transnational monopolies in accordance with the local legislation of the host country.<sup>37</sup>

The draft convention on collective economic security was approved by a vote of eighteen (all the Latin American countries present) against one—the US.

The Latin American countries hailed the Permanent Council's approval of the two draft conventions. However, special OAS General Assemblies, which were supposed to finally adopt the approved drafts, were not held due to the actions of the US. One of the principal reasons why the US refused to accept the results of the almost three years of work that had consumed considerable effort and a large amount of OAS funds was Washington's dissatisfaction with the economic aspect of the reform, specifically, the Latin American states' desire to introduce a system of collective economic security into inter-American relations and place the activities of the transnationals under the national control of host countries.

Thus, the US led the process to restructure the inter-American system into an impasse. And it was left up to the Democratic Administration that replaced President Ford to find a way out.

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## *Chapter Three*

### **The Latin American Policy of the Carter Administration: from "Liberalism" to the "Big Stick"**

With the inauguration of the Jimmy Carter Administration in January 1977, Washington's Latin American policy took on new importance. Never since the proclamation of the Alliance for Progress programme had the region occupied so prominent a place in the range of US foreign policy priorities.

During the first few months after the Democrats came to power, an unprecedented number of political contacts at the highest level were made between the US and Latin America. Right from the start President Carter showed that he would attempt to conduct relations with Latin Americans in a different vein than the course followed by the Republican Administrations of Nixon and Ford.

The theories of the President's National Security Advisor, Zbigniew Brzezinski, played a large role in developing the Democrats' Latin American policy, as did a few concepts concerning international relations which had been used in American diplomacy in the mid-seventies (for example, the concept of interdependence) and concrete recommendations contained in special reports prepared for the Carter Government by influential representatives of US business and political circles, specifically, the recommendations of the Linowitz Commission.

It was Brzezinski's opinion that Washington had to solve three important political tasks: first, to strengthen in every way possible the alliance among the capitalist powers; second, to eliminate the sharpest contradictions between the imperialist and developing states, especially through a "North-South" dialogue; and third, to maintain detente between West and East in such a way as to be beneficial to the US.

Characteristically, the above concept reflected in general the international goals of imperialism in the so-called Trilateral Commission, which became the West's most important "think tank" in the 1970s and turned out to exercise extraordinary influence on the ideology and policy of the Carter Government.<sup>1</sup>

Describing the strategy of the Trilateral Commission with respect to developing countries, Claudio Urencio, a responsible official in Mexico's Ministry of Trade, stressed that the Commission was taking, in the first place, a differentiated approach to these states depending on their level of industrialisation and amount of raw materials; second, it was establishing western control over the supply and prices of raw materials; third, it was exerting pressure on those developing countries which had the advanced economies in order to force them to adopt an "open door" policy with respect to foreign capital and thus pull this group of countries further into the world capitalist economy and trade. This, observed Urencio, reflected the modern course of neocolonialism in the developing world, a course bent on encouraging existing economic and political distinctions among the countries of Asia, Africa and Latin America.<sup>2</sup>

In this scheme devised by Brzezinski and the Trilateral Commission (which for the most part was implemented in the White House's foreign policy), the developing countries were to play the part of the West's strategic reserve in its economic, political and military struggle against the socialist community. In this regard, the US had especially high hopes for Latin America, where its positions and those of its allies were stronger than those of the socialist countries. However, due to deep trade, economic and political differences between the two groups of countries, it proved to be extremely difficult to turn the Latin American states into imperialist allies.

## **1. Inter-American Economic Problems: a Maze of Contradictions**

As numerous facts indicate, trade and economic development continue to pose the deepest difficulties and stir up the greatest differences in inter-American relations.

The key aspects of Washington's economic policy (which was influenced most of all by the Linowitz Commission) were laid down in a speech delivered by Carter to the OAS Permanent Council on April 14, 1977. The American President underscored the fact that Latin America's basic economic problems could not be solved on a regional basis, but rather merited a "global approach". In this way, Carter in effect admitted the impossibility of reaching a constructive solution to the economic problems of the Latin American region within the inter-American system. At the same time, he pointed to a "North-South" dialogue as the only realistic path toward reconciling the sharp differences between the industrialised capitalist countries and the developing states.

Carter expressed his willingness to cooperate with the Latin American countries in conducting a more thorough study of the region's natural resources and working out plans for their more intensive exploitation. It was on this issue that the American President most frankly expressed the desires of US monopoly circles to obtain as wide and free access as possible to the raw material wealth of Latin America. Carter also formulated new US economic assistance policies for the developing countries.

As has already been noted, Washington's use of the transnationals as a foreign policy instrument had become an established practice in the 1970s. In continuing this practice, the Carter Administration likewise gave the monopolies a significant role to play in implementing US policy with regard to developing countries and made every effort to create optimal conditions for encouraging the US-based transnationals' expansion abroad. As a result, already in the first year of Carter's presidency (1977) the direct investments of US monopolies in Latin America grew from 23.9 billion dollars to 28.1 billion dollars, while profits amounted to 3.9 billion, i.e. 17 per cent on invested capital, higher than the average return on transnational foreign operations. In 1978, investments were up to 32.5 billion dollars (in the developing world as a whole—40.5 billion dollars), and profits came to 4.9 billion.<sup>3</sup>

A noisy propaganda campaign was waged in Washington concerning the "new approach" of the US to foreign aid policies. "New" here essentially meant that the Carter Adminis-



tration would grant economic aid on a bilateral basis, as a rule, only in those circumstances where the influx of dollars (not even a very large amount and no great burden on the US) would be able to significantly influence the economy and, consequently, the political situation of the recipient country. Thus, it was clear that the countries under consideration here were a few small, economically backward states in Central America and the Caribbean. As for the larger states in the region, assistance and credits were to be granted on a multilateral basis, i.e. primarily through international financial organisations and banks. In this way, without a great deal of expenditure, the United States could manipulate vast sums of currency, inasmuch as Washington played the major role in the IMF, IBRD, IADB and other institutions. It was therefore no accident that President Carter especially emphasised the growing role of the IADB in his speech before the OAS Permanent Council.<sup>4</sup>

There was yet another reason why it was advantageous for the Washington Administration to grant assistance through international organisations, and this was a topic of special interest during congressional discussions concerning the US assistance programme. The fact of the matter was that the US was offering aid to the governments of the developing world through 15 different channels, of which only four were bilateral (the Military Assistance Programme, the Agency for International Development, the Food for Peace Programme and the Peace Corps) and under the control of the American congress.<sup>5</sup> Thus, acting through international financial organisations, the White House could not only lean on the support of other imperialist powers but, to a considerable degree, act outside the control of the country's legislative branch. The latter circumstance played a considerable role in implementing the political policy of both Republican and Democratic administrations alike.

The granting of large loans and credits to the Latin American countries through banks and organisations such as the IMF, IBRD and IADB became an extraordinarily effective means of exerting imperialist pressure since this policy served to deepen the financial dependence of these states and dramatically increase their foreign debt to the West, a situation that the Carter Administration used more than once

for economic and political blackmail.

The growth of the foreign debt of Latin American countries has reached unprecedented levels in recent years. For instance, in the 1970-1979 period alone, the region's foreign debt increased from 21 billion dollars to 100 billion dollars and continues to grow rapidly. Accordingly, the sums spent by the Latin American countries to pay these debts have grown from 2.5 billion dollars in 1970 to 9.7 billion dollars in 1978. In the second half of the 1970s, payments on the debt principal and interest "ate up" 15 per cent of Brazil's export earnings, with the corresponding figures for Bolivia, Argentina, Chile, Mexico and Uruguay standing at 16, 23, 24, 15 and 46 per cent, respectively.<sup>b</sup>

Facts reveal that the rapid growth of foreign debts in effect has become a new way in which imperialist countries can exploit and rob the Latin American states, and is now an important factor in their dependence on international monopoly capital. Given this model of development, the Latin American region is no longer capable of breaking out of the vicious circle: insufficient funds, resulting to a significant degree from the activities of the transnationals, make it necessary to seek new foreign loans, which increase debts and lead to the pouring of new capital from Latin America in the form of interest payments, which subsequently increases the necessity for new loans.<sup>7</sup>

This situation has been exacerbated by the fact that in recent years it has become considerably more difficult for Latin American countries to acquire loans. Whereas in the first half of the 1960s the average interest rate on foreign loans amounted to 3.6 per cent, by the mid-1970s this figure had risen to 6.8 per cent, i.e. an almost two-fold increase. Moreover, interest rates at the IBRD and, for example, the EXIMBANK of the US (two of Latin America's most important creditors) rose respectively to 8.4 per cent and 8.1 per cent. At the same time, loans now had to be paid off at a faster rate: instead of the average 19.2 years, countries were now given 17.4 (the EXIMBANK cut the number of years from 9.2 to 4.6).<sup>8</sup>

All these factors served to complicate the already difficult economic situation of the Latin American countries and

allowed Washington to use capitalist financial organisations and banks to impose conditions on regional governments. Some of the decisions made at the end of the 1970s under pressure from international financial organisations and banks resulted in serious negative social consequences: the condition of the working masses sharply deteriorated. This is what happened in Peru after the country reached an agreement with the IMF on new loan conditions in 1978.

Aware of Washington's tacit support, private American banks as well began to conduct financial operations in Latin America on a broader scale. Like the industrial transnationals, these banks began to make enormous profits in the region. Specifically, Citicorp, a leading American bank operating in 93 developing countries, made 15 per cent (more than 70 million dollars) of all its net profits in Brazil.<sup>9</sup>

In his work *Imperialism: the Highest Stage of Capitalism*, Lenin specifically pointed out the large role played by banks in the foreign expansion of monopoly capital.<sup>10</sup> The expansion of international state-owned and private banks in Latin America promotes the further expansion of industrial transnationals in the region and creates conditions for the even more intensive exploitation of the material and human resources of the Latin American countries by US monopoly capital. It is precisely for this reason that the developing countries, including the Latin American region, are more strongly expressing their dissatisfaction with the policy of imperialism's financial organisations and persistently demanding that it be changed. For example, at the 35th annual joint session of the IMF and IBRD (September-October 1980), representatives from the developing countries pointed once again to the huge increase in their debt to the West (390 billion dollars at that time) and demanded that conditions for receiving loans be eased. But these demands were virtually ignored by the West, which merely agreed to review a number of minor conditions for granting loans, leaving the system itself intact.<sup>11</sup> But clearly such half-measures could in no way satisfy the developing countries, which continue to insist on radical reforms in the credit-financial policy conducted by the US and its Western allies.

It is perfectly clear that Washington had little interest in actually restructuring its international economic policy

along democratic and just lines. But, as President José Lopez Portillo of Mexico stressed in talks with President Carter, this has remained one of the most important foreign policy goals of a majority of Latin American countries.<sup>12</sup>

The Carter Administration's stubborn refusal to make any significant concessions to the fair economic demands of the Latin American countries (just like previous Washington administrations) was first revealed in the autumn of 1977 when the White House decided to raise the customs duty on sugar imports (largely from Latin America) three-fold. Commenting on yet another of Washington's discriminatory actions in the sphere of trade, Alejandro Orfila, Secretary-General of the OAS, noted that the duty would be a severe blow against the Latin American sugar-exporting countries. Orfila went on to stress that as a result of the increased customs duty, the US Treasury would profit by an additional 350-500 million dollars at the expense of the Latin American and Caribbean countries.<sup>13</sup> In this connection it is appropriate to note that some of the smaller and less economically developed countries in Central America and the Caribbean suffered as well from the increased duty, although these were the countries to which, according to Carter, the United States intended to increase bilateral economic aid.

In March 1979, a number of states in the region sent a letter to the American Government in which they pointed out that from 1976 to 1979 the customs duties imposed by the US on sugar imported from Latin America had risen 10 times and thus severely damaged the economies of these exporting countries. The letter protested these discriminatory practices and demanded that they be halted.

This example serves to prove once again that the United States and Latin America have deep trade and economic differences, differences that are ingrained in the single complex of contradictions that exist between the imperialist and developing world. It was precisely for this reason that Carter's plan to use the so-called "North-South" dialogue to turn the Latin American countries into allies of the West did not succeed. Witness, for example, such "milestones" as the talks held in Paris (1975-1977) and the meeting in Jamaica (December 1978), which by no means eliminated

contradictions between the West and the developing world.

The fact that a conference on international economic cooperation (part of the North-South dialogue; participating were 16 capitalist countries and 19 developing states, including Argentina, Brazil, Venezuela, Mexico, Peru and Jamaica from the Latin American region), which was held in Paris for 18 months (up till the beginning of June 1977), was a virtual failure which demonstrated that the US and Latin America continued to harbour deep differences in their approach to finding solutions to serious international economic problems.

"The Group of 19", speaking on behalf of all developing countries, made concrete proposals at the Parisian conference concerning such urgent issues as sovereignty over natural resources, the establishment of a fair and stable correlation between raw material and industrial product prices, providing more backward countries with effective aid, reviewing conditions of world trade with consideration for the interests of developing states, and also bringing the activities of the transnationals under control. However, not one of these proposals was adopted in the form in which it was submitted by representatives of the developing world. What was more important for the West, particularly the US, was to ensure reliable access to the raw material resources of the developing countries in Asia, Africa and Latin America and to create optimal conditions for the further expansion of the transnationals.

The talks in Paris confirmed the belief of US ruling circles that Latin America was playing a leading role in the developing world's struggle to obtain a New International Economic Order. And as a result of side-stepping a direct confrontation with the Latin American countries, Washington failed to completely "neutralise" what it considered undesirable trends in the regional governments' foreign policies. Commenting on the situation, *U.S. News and World Report* stated: "Problems are too numerous, complicated and longstanding to permit quick and easy solutions."<sup>14</sup>

The results of the talks proved once again that the Latin American countries had no realistic hope of solving urgent economic problems by conducting "dialogues" with the US and other Western powers. Characterising the position of the West, the Soviet Government emphasised: "There has been

no essential change in the US policy of pursuing its exploitation of the developing countries. It is impossible to expect that various types of small group talks will force the country to refrain [from this policy], even if the talks are made to appear equal."<sup>15</sup> Acknowledging this fact, realistic political circles in Latin America continued to pour their efforts into the comprehensive development of inter-Latin American cooperation, into expanding mutually beneficial and equal ties with the developing countries of Asia and Africa and the socialist states.

## **2. New Political Aspects**

Washington officials acknowledged that changes in the Carter Administration's approach to the political aspects of inter-American relations were caused by the increased incompatibility of US foreign policy principles with the reality of the situation in Latin America. Speaking before the US Congress, William Luers stated: "The working out of U.S. policy towards Latin America and the Caribbean could not catch up with the changes in the Hemisphere since the first days of the Alliance for Progress."<sup>16</sup> In this respect, the adaptation of general foreign policy principles to specific conditions in the region and also the working out of specific "Latin American" approaches with due consideration for the regional interests of the United States were the major points in Washington's Latin American policy.

The following aspects of Carter's political line had the greatest influence on Washington's Latin American policy: the desire to make "human rights" one of the principal ideological components of the country's foreign policy platform; and attempts to transform the developing world, especially Latin America, into an imperialist ally on the international scene. Therefore, the Democrats made significant policy changes inasmuch as, firstly, they had decided now to camouflage its foreign policy ideologically by emphasising the concept of human rights instead of blatant anticommunism and, secondly, to avoid confrontation with developing countries by offering to join them in an alliance against socialism.

The development of inter-American relations during the

Democratic Administration was along the following major directions: concentrating political forces in that part of the Latin American region (the Caribbean) where the influence of socialism was especially marked and where the defence of national sovereignty by the liberation movement had been particularly successful; using the "human rights" campaign to improve relations with countries having bourgeois democratic governments and raise the international prestige of the United States in the eyes of the Latin American people; searching for ways and means to sow discord and distrust among the Latin American countries and set them against the socialist community; combining the tactics of destabilisation against undesirable regimes with appeasement policies.

The new trends in Washington's Latin American policy appeared in US relations with the countries of the Caribbean Basin as well. Most of the countries in this subregion followed independent policies in international affairs. Besides Cuba, which was a full-fledged member of the socialist community, a number of states in the region (Guyana, Grenada, Jamaica, Surinam, Trinidad and Tobago, Nicaragua and Panama) were striving to strengthen their political independence, while such states as Venezuela and Mexico played a leading role in the developing countries' movement to restructure international economic ties and were the initiators of important political actions in Latin America. It was here that Cuba's influence was most felt. For many years the ruling circles in the US had been concerned about the fact that Cuba was strengthening its ties with neighbouring states on an anti-imperialist basis.

The US policy in the Caribbean Basin was prompted by the country's desire to oppose the influence of Cuba and the socialist community countries. One of the primary objectives of the Carter Administration was to block the further development of relations between the countries of the Caribbean and socialist states. The American President himself frankly admitted this, stating: "I think that this peaceful competition with the Soviet Union for the friendship of those non-aligned countries is good for our country."<sup>17</sup>

Aside from the strategic and political significance of the Caribbean Basin, the countries in that region play a large

role in securing American economic interests. As an important sphere of private capital investment, the Caribbean countries provide the United States with many kinds of raw materials. For example, the US receives 65 per cent of the raw material it needs for its aluminium industry from these countries.<sup>18</sup>

America's new policy toward the Caribbean countries was revealed in its first steps toward normalising relations with Cuba (a topic discussed in Chapter V) and in increased inter-governmental contacts with other states in the region, particularly the English-speaking countries. Specifically, from 1977 to 1979 the Democratic Administration raised the number of American diplomats in the subregion by 16 per cent, while the staff of the International Development Agency (IDA) increased its numbers by 28 per cent, and Peace Corps workers showed a 64 per cent increase. Due to this increased interest in the countries of the Caribbean Basin, in September 1977 a Caribbean Special Task Force was set up inside the State Department under the leadership of the Secretary of State's deputy assistant, George Arellano.

This group, which helped to formulate US policy in the Caribbean, was formed after the US Ambassador to the UN, Andrew Young (who played a significant role in working out Washington's Latin American policy, particularly in the field of assistance), visited 10 Caribbean countries (Jamaica, Guyana, Trinidad and Tobago, Barbados, Surinam, Mexico, Costa Rica, the Dominican Republic, Haiti and Venezuela). It should be noted that already in 1977 the Carter Administration had adopted a number of concrete measures to increase aid on a bilateral basis to the Caribbean countries. For example, the IDA allocated over 40 million dollars to the Caribbean Bank of Development for the purpose of "strengthening regional economic institutes" and also granted Jamaica, which the Carter Administration considered the key country among the island states in the Caribbean, 63.4 million dollars in loans (previously, the IDA had granted an average of 10 million dollars a year). At the same time, the IMF increased aid to Jamaica.<sup>19</sup> On the whole, US economic aid to the Caribbean countries from 1976 to 1979 doubled, reaching 125 million dollars.<sup>20</sup>

The Carter Administration put just as much effort into



attracting private American investments in the Caribbean countries. In June 1977, the American Government organised a Caribbean Trade and Development Conference in Tampa, Florida, which convenes annually ever since. The culmination of Washington's drive to strengthen trade and economic ties with the Caribbean island states was the creation in December 1977 of a consortium (the so-called Caribbean Group for Cooperation in Economic Development) of 30 countries and 15 international organisations for the purpose of solving economic problems in the region. The Democratic Administration was actively seeking to involve the more powerful Latin American countries, particularly Mexico and Venezuela (which were members of the above-mentioned consortium), in the implementation of its plans in the Caribbean Basin. Moreover, Washington had allocated a special role for Venezuela. On his trip to that country in March 1978, President Carter underscored the significance of Venezuela's assistance in implementing Latin American integration programmes (specifically in the development of the economies of the Caribbean countries) and pointed out the importance of utilising the financial resources of the OPEC countries "to meet the needs of the world's people".<sup>21</sup>

Speaking about US policy in the region, Terence Todman stated: "The entire Caribbean Basin has become a major focus of US interest, something that never really happened before even during times of crisis"<sup>22</sup> (the allusion here is to the Caribbean crisis of 1962). It was thought in the White House that the measures taken would significantly improve relations with the Caribbean countries, neutralise undesirable trends and prepare favourable conditions for creating a bloc of states, under Washington's control, capable of playing the role of an "obedient majority" in the OAS. This idea was even more attractive to the American Administration inasmuch as the number of politically independent states in the Caribbean was growing.

In spreading its "human rights" campaign to Latin America, the White House was counting on certain political dividends. In this way the Carter Administration believed it could create wider social support for its regional policies, strengthen submissive governments and politically "modernise" dictatorships.

Aware that support of military dictatorships would be beneficial only in the short term, the Carter Administration realised that the prolonged existence of such regimes was a social time-bomb waiting to explode. Some American political analysts considered that the swing to the right in South America in recent years meant that future opposition movements would be fighting those regimes that were under the patronage of the US.<sup>23</sup> Concern over this issue was expressed in the US Congress as well. Senator Edward Zorinsky noted: "The fundamental mistake we make ... is to back governments or regimes which enjoy little or no popular support. The upshot of it all is that U.S. policy becomes identified with the tyrants and dictators of the world."<sup>24</sup>

Mindful of the importance of the existence of a number of military regimes for the US ruling elite, the Democratic Government endeavoured to "push" the dictatorships to consolidate the political power of the bourgeoisie by sharing power with the opposition forces which were acting not against the existing social order but against repressive forms of government (for example, the Brazilian Democratic Movement Party or Chile's Christian Democratic Party). This was essentially the class content of Washington's policy toward military dictatorships.

As was observed in the US Congress, the "human rights" campaign in Latin America signified a change of emphasis in Washington's policy—from primarily seeking to develop relations with military dictatorships (under the Republican administrations) to establishing closer political ties with such "representative democracies" as Venezuela, Mexico, Colombia, Costa Rica and others (under the Democrats).<sup>25</sup>

But Carter's "human rights" campaign met with opposition both in the US and in certain circles in Latin America. Specifically, the White House came under pressure from the transnationals and large banks which argued, not without reason, that it was precisely those countries ruled by military dictatorships that offered the most advantageous legislation for foreign capital investment. William Spencer, President of the First National City Bank, pointed out: "The problem of human rights has nothing to do with loan policies adopted by the large international banking organisations."<sup>26</sup>

Thus, the monopolists continued to support reactionary regimes, and this, to a considerable degree, undermined the "consistency" of Carter's initiatives.

Carter's policy met with organised resistance from a number of military regimes. For example, already in May 1977 representatives from Argentina, Bolivia, Brazil, Chile, Paraguay, Peru and Uruguay held a special meeting in Montevideo to discuss a general strategy to oppose the US human rights policy. At the Seventh OAS General Assembly Session, these states formed a united bloc that prevented the organisation from adopting a resolution strongly condemning human rights violations in the southern hemisphere. As Shafic Jorge Handal, General-Secretary of El Salvador's Communist Party, observed, as a result of these actions, a new type of right nationalism, never seen before in Latin America, had surfaced.<sup>27</sup>

This turn of events was rather unexpected and totally unwelcome to the Carter Administration, which hastened to "explain" matters. Acting upon State Department instructions, American ambassadors met with the ministers of foreign affairs of the Latin American countries and conveyed the message that they did not need "to worry about all the human rights talk in Washington".<sup>28</sup>

The hypocrisy of Washington's human rights campaign in Latin America was demonstrated by the fact that the US continued to offer assistance, including military aid, to a number of repressive regimes. For example, in violation of legislation passed in June 1976 by the US Congress, which barred the executive branch from offering military assistance to the Chilean junta, Pinochet received up to 120 million dollars in arms from the US in 1977-1978.<sup>29</sup>

Mindful of such facts, some of the more far-sighted political analysts in Latin America quickly realised that the human rights campaign was a dangerous policy that could seriously complicate the international situation. Eugenio Anguiano, a Mexican political observer, wrote that the campaign ran the chance of falling into the right-wing arrogance of John Foster Dulles or "new, absurd crusades like Vietnam".<sup>30</sup> Subsequent events would prove this judgement entirely correct.

The fall of the Somoza regime in Nicaragua in 1979 to rev-

olutionary forces, which began to restructure the society along socialist lines, demonstrated Washington's inability to control the political situation in the Caribbean. Conservative circles in the US stepped up criticism of the Carter Administration "from the right", claiming it had not offered enough support to such "true allies" as Somoza. In effect, right-wing forces in the US had been pushing the Carter Government to directly intervene militarily in Nicaragua. But, as the Paris newspaper *Le Monde* reported, despite the advice of "hawks" in the National Security Council, Carter demonstrated "enough intelligence and humanity to swallow the Nicaraguan pill."<sup>31</sup>

Given this turn of events, the Carter Administration began to take strong actions to neutralise undesirable political trends. Here a curious mixture of "soft" and "hard" measures was observed. On the one hand, Lawrence Pezzullo, US Ambassador to Nicaragua, in an effort to correct past "mistakes", sought to make contacts with the new Nicaraguan leaders. Also, at the end of May 1979, a special inter-department operative group was formed in Washington to study problems in the Caribbean (the group was headed by Philip Habib, an experienced diplomat). Somewhat later, the White House began to nurture plans for the use of a so-called Rapid Deployment Force to protect American interests, and also increased America's military presence in the Caribbean Sea. The Latin American countries felt that the latter occurrence indicated a return to the "big stick" policy, which, naturally, evoked widespread negative reaction in the region and beyond.

US policy with respect to the Caribbean and Central American countries as a whole reflected the continuing battle of opinions among official circles in Washington. The Senate discussions of the Special Central American and Caribbean Assistance Act (as Carter's proposed programme was officially called) provides an apt example. Many senators unequivocally rejected the White House proposal. Stated Senator Jesse Helms: "I cannot support this proposal which gives aid and comfort to the Sandinista insurgents and helps them to solidify control over Nicaragua... The United States has national interests in Central America. The primary interest is the promotion of stability in the region. In pursuit of this the U.S. should come to the assistance of nations which seek to be the friend of the

United States. Guatemala, Honduras and El Salvador are the traditional friends, nations, which have supported the United States in international forums, nations, which have long regarded themselves as part of the Inter-American System, of which the U.S. is the leader.”<sup>32</sup>

Thus, a section of Washington's ruling elite decisively spoke out in favour of increasing support to reactionary regimes, and this, without question, influenced the Carter Administration, which began to lean more toward a tougher policy in Latin America. This was apparent in US relations with Jamaica as well. The Carter Administration refused to try to destabilise the Manley Government, hoping to “smother it in the embrace of friendship”. However, this hope was not borne out, and in the autumn of 1979 the US Government was considering levelling sanctions against Jamaica as a result of its “sharp turn to the left”.

At the end of May 1980, former US Ambassador to the UN Andrew Young and Congressman Julian Dixon announced that the National Security Council had devised a plan directed toward overthrowing the Jamaican Government. The plan called for exacerbating the political situation in the country and disrupting its national economy. With this objective in mind, the National Security Council persuaded American financial and industrial circles not to invest in the Jamaican economy nor grant the country credits. Moreover, the Council suggested that the United States support Jamaica's opposition Labour Party, which opposed socio-economic reforms, favoured the establishment of close ties with the US and guided the subversive activities of reactionary elements.<sup>33</sup>

It was simultaneously made known that the American CIA had worked out a plan to destabilise the domestic political situation in Nicaragua. As noted in the Mexican newspaper *El Dia* the CIA's subversive plans were devised according to well-known models which had been used by the United States against the Allende Government in Chile.<sup>34</sup>

Thus, the policy of the Carter Administration in the Caribbean Sea underwent a considerable change in a short period of time. By the beginning of the 1980s, it had become evident that the White House was following no clear and consistent course.

### 3. White House Diplomacy in the OAS

Speaking before the OAS Permanent Council on April 14, 1977, Jimmy Carter noted that the OAS was not the only institute that promoted cooperation among the peoples of America, that the Inter-American Bank of Development was an important mechanism whereby this could be achieved. Already in his first address to the OAS the new American president expressed Washington's dissatisfaction with the role thrust upon the organisation by the Latin American countries.

The debate which ensued at the Seventh OAS General Assembly Session held in June 1977 in St. George's (on the island of Grenada) once again demonstrated the existence of two different approaches to the future of the inter-American system. It was at this session that Secretary of State Cyrus Vance essentially reiterated the proposals made by Kissinger concerning structural reforms in the OAS. However, Vance went further than the Republican Administration in trying to eliminate, or at least weaken, those organs of the inter-American system where the US was under criticism from the Latin American countries. Primarily, these were the bodies which carried out socio-economic functions: permanent executive commissions of both Councils, special conferences and organisations and the Special Commission on Consultation and Negotiation, an agency working under the auspices of the OAS since 1970. Vance stated that "informal consultations should replace much of the standing bureaucracy".<sup>35</sup> It was Washington's opinion that these consultations should not be regulated by the OAS Charter. The proposal was to have the General Assembly convene them "each time the need arose". Special committees or commissions were to be formed only to review separate questions, after which they would cease to function. These proposals clearly demonstrated American efforts to avoid discussing in the OAS thorny problems pertaining to relations with Latin America and revealed Washington's increasing lack of faith in the organisation. This mistrust on the part of the US was made evident when the Secretary of State announced Washington's intention to lower its contribution to the OAS budget from 66 to 49 per cent. At the same time, Vance called for the Inter-American Commission on Human Rights to

intensify its activities. The US (together with Venezuela, Costa Rica and the Dominican Republic) introduced a resolution which called for an increased Commission budget, the right of the Commission to make inspection trips and obligatory cooperation and support of its activities by member-states.<sup>36</sup>

It should be noted here that the resolution declaratively censured dictatorships, and the observance of basic human rights and freedoms was acknowledged to be the purely internal affair of each state. In fact, the US was using the human rights issue in a demagogic manner to hinder the discussion of crucial issues concerning inter-American cooperation in the fields of trade and economy.

However, the results of the Seventh OAS General Assembly Session revealed that the human rights issue was better understood not in the United States but in certain Latin American countries. Thus, the Colombian delegate announced the necessity of creating an economic basis in the Latin American countries for practically implementing human rights and requested that the developing countries be given surplus capital which could be used to create favourable conditions for the functioning of democratic systems. Costa Rica's Minister of Foreign Affairs stressed in his speech that "human rights cannot be fully guaranteed if we do not make an effort to unite the concepts of social justice and economic development".<sup>37</sup> Representatives from Peru, Panama and Venezuela spoke in a similar vein. In this situation, State Department spokesman William Luers was compelled to acknowledge that certain Latin American governments felt that the human rights campaign was nothing but a new form of US interference in their internal affairs. Luers went on to say that rather than the human rights being preached by official circles in Washington, "many in this hemisphere see the rights to food, shelter, work and survival as fundamental".<sup>38</sup>

In the second half of the 1970s Latin American representatives often addressed the OAS to express their dissatisfaction concerning the protracted reform process in the inter-American system. The words of OAS Secretary-General Alejandro Orfila, describing the working out of the draft charter and both economic conventions as confirmation of the "viability"<sup>39</sup> of the OAS, sounded in sharp dissonance to Vance's statement at the

Seventh Session that the draft charter did not correspond with the "goals we have set".<sup>40</sup> Mexico's Minister of Foreign Affairs, Santiago Roel, distinguished the more positive aspects of the reform: the abolishment of political hegemony, creation of a legal basis for successful inter-American economic and social cooperation, strengthening the foundations of the organisation on the principles of "ideological pluralism", elimination of vestiges of the cold war and legislative confirmation of the right of each state to freely control its own natural resources. The Mexican representative called for the swift adoption of all the documents worked out during the reform process.<sup>41</sup>

The next, Eighth OAS General Assembly Session, held in June-July 1978 in Washington, confirmed once again the interest of the regional countries in solving their urgent socio-economic problems.

On the eve of the opening session, the US Congress ratified the Panama Canal Treaties and a convention on human rights. But these "preventive" measures were not enough to stop the adoption of a number of resolutions the US opposed. The most important of these was the Code of Conduct for the transnationals which the Latin American countries had been insisting upon since 1973. The London weekly *Latin America Political Report* observed: "The Latin Americans have general consensus that human rights policies have led to less emphasis on economic inequalities in the hemisphere. The resolution on transnationals was an attempt to redress the balance."<sup>42</sup>

The Code prohibited any type of interference on the part of the transnational in the internal affairs of the host country, and also in relations between that country and others. Moreover, the monopolies were not supposed to serve as an instrument of foreign policy of their home countries. The new document of the inter-American system proclaimed the permanent sovereignty of the host country over its own natural resources and its complete independence in economic activities. The Code obliged the transnationals to submit to the policies, goals and national priorities of the host country, promote its economic development, improve its technological potential and refrain from restrictive trade practices. Aside from specific limitations imposed on the



activities of foreign monopolies, the Code destroyed the bourgeois propaganda myth about the exclusively beneficial role of the transnationals in helping develop the economies of countries in Asia, Africa and Latin America.

Of course, it would be naive to expect that the adoption of a single resolution could change the imperialist nature of American transnationals. Enrique Pastorino, Chairman of the World Federation of Trade Unions, stated in an article about transnational activities: "For our part, we are not creating any illusions: we believe that such measures can primarily have a moral, mobilising influence on international public opinion." The author observed further: "However, we still see the political importance of an international pronouncement concerning the activities of these economic octopuses as an instrument of unity and the struggle of the peoples for their independence and social progress."<sup>43</sup>

Heated discussions were held at the Eighth OAS General Assembly Session concerning state sovereignty, trade and economic development. The session chairman, Colombia's Minister of Foreign Affairs, Indalecio Lievano Aguirre, announced that the "change of priorities" in US foreign policy should not interfere with the stabilising of inter-American relations, which were on shaky ground because of the economic inequality between the United States and Latin America.<sup>44</sup> Brazil's Minister of Foreign Affairs criticised the US for increased protectionism in trade—"one of the most serious problems of inter-American relations".<sup>45</sup> Latin American delegates literally attacked Secretary of State Cyrus Vance, demanding that discriminatory provisions in US trade legislation be rescinded and that trade between the two Americas be developed on principles of equality and mutual benefit.

One of the resolutions adopted at the session called for the Permanent Council of the OAS to continue work on the restructuring of the inter-American system. The representative for the United States abstained from voting on this resolution, which led Panama's representative to remark: "The United States refuses to accept a proposal about collective economic security and the sovereignty of states over their own natural resources."<sup>46</sup>

By the end of the 1970s the US had cooled to the OAS. The

reason for this was disclosed by an official in the American Rand Corporation, David Ronfeldt, who observed that the appearance of "economic aggression" concepts in inter-American documents and linking of problems of security with questions of economic development had nullified the role of the US as the "guarantor" of security in the western hemisphere. Ronfeldt went on to state that, strange as it seemed, there were times when certain US actions could be viewed by Latin American governments as a potential threat to their security.

Washington was unconcerned with making any reforms in the inter-American system. The United States was not interested in carrying them out considering the unfavourable (to Washington) balance of power in the OAS. Many Latin American observers believed that the American representatives' frequent statements calling for eliminating "formalism" and "bureaucratism" in the OAS reflected the annoyance the country had begun to feel toward its own creation. As the interest the Latin American countries had in the organisation increased, so did the mistrust of the United States.<sup>47</sup>

Contemporary American political scientists to a considerable degree reflect the perplexity official circles in Washington have begun to feel concerning the inter-American system. Many recent works by experts on Latin American affairs have expressed uncertainty about the future of the OAS and concern over the position of the US in an organisation that is beginning to diverge from America's interests.

Larman Wilson, a professor at American University, has suggested several models which the further development of the inter-American system is likely to follow: the replacement of the OAS with a purely Latin American body, such as the LAES; barring the US from membership in the OAS or the country's voluntary withdrawal; division of the OAS into two organisations—political (with the participation of the US) and economic (without the US); and, finally, transforming the OAS into an international organisation by admitting any country with economic interests in Latin America.<sup>48</sup>

The idea that the US may withdraw from the OAS in the face of increasing anti-American sentiment is not new: on the eve of the opening of the Third OAS General Assembly

Session in 1973, William Rogers, who subsequently became Deputy Secretary of State on Inter-American Affairs, also brought the subject up.<sup>49</sup> But James Theberge and Roger Fontaine predicted that the US would leave the OAS only "if defeated on major questions and confronted with radical challenge to US-Latin American relations inimical to the United States".<sup>50</sup> The authors write that such a step would mean a defeat for American diplomacy and create a power vacuum in the organisation. Theberge and Fontaine believed that such a decision would be predicated only by the following circumstances: giving the Rio de Janeiro Treaty an economic direction and including an article about "economic aggression"; altering the pact's concepts about collective security and the peaceful solution of disputes; allowing Cuba to join the OAS.<sup>51</sup>

Despite their different approaches to the concept of pan-Americanism and diverse opinions concerning the future of the OAS, all the American specialists writing about Latin America have one thing in common: protecting the specific, pragmatic goals pursued by US foreign policy. They also agree that it is necessary to strengthen the OAS (i.e., eliminate criticism aimed at the US) while preserving untouched (or only partially restructured) the basic ideological and political canons of pan-Americanism. According to Edmund Gaspar, the objective of the reforms in the OAS should be to maintain the presence of the US in the region and at the same time eliminate the "annoyances" occasioned by the criticism of Washington's Latin American policy in today's OAS. While allowing for the possibility of reviewing a few inter-American documents, Gaspar nonetheless wholly stood behind retaining the fundamental provisions of the Rio de Janeiro Treaty, especially Art. 3. As a matter of fact, he believed that the treaty as a whole "should be brought up to date to meet the challenge of a nuclear war".<sup>52</sup>

Acknowledging in words the necessity of eliminating the policy of paternalism in the inter-American system, Gaspar announced that he himself was a proponent of "special relations" between the US and Latin America and that the US should play the decisive role in reorganising the inter-American system.

American political analysts have recently become intrigued with the idea of coordinating policies in a number of regions of the world (including Latin America) with other developed capitalist countries. In light of all the difficulties the US was facing, confronted with the Latin American community in the OAS, academic and political circles in the US were beginning to show increasing interest in an "extra-regional" OAS, an organisation which would include all states having an economic interest in Latin America.

The US favoured expanding the membership of the IABD to include the capitalist countries of Europe, Japan and Israel. This made it possible, on the one hand, to lower the level of unilateral American influence on banking matters (something the Latin American countries had actively sought to achieve) and, on the other, drew the region even more deeply into the world capitalist system of economy and toward the West.<sup>53</sup>

Relying on its policy of bilateral relations and raising most of the economic issues to a global level, the Carter Administration gave the OAS the modest role of consultative body for the exchange of opinions between the US and Latin America. However, Washington had no intention of weakening its position in this region of the world, which would only continue to increase in importance in the future. Therefore the inter-American system was absolutely necessary as a means for Washington to exercise influence over the Latin American countries.

To strengthen its influence in the OAS, the US built relations with the region's countries based on the principles of the "interdependence" doctrine. There was also a rebirth of pan-Americanism—considering Latin America an important integral part of Western civilisation, and the western hemisphere—the "traditional champion of human rights and freedoms", etc. Thus, the "lowering" of US interests in the Organisation of American States was a certain tactical manoeuvre designed to win time and create propitious conditions for the "rebirth" of pan-Americanism.

If US interests in the OAS of the 1970s decreased for a time, it was clear that the interests of Latin American countries in the organisation significantly grew, inasmuch as it

was during this period that they succeeded in using the OAS to defeat US diplomacy on a number of important issues.

Whereas from 1948, i.e., the time of the formation of the OAS, till 1960 only 20 per cent of the resolutions proposed by the US concerning cold war tactics (anti-communism and Cuba) were rejected by the organisation's major bodies, from 1961-1974 33.3 per cent of the American proposals on the similar issues were defeated. Only 30 per cent of the proposals made by the US concerning security, political, and legal matters in the former time-period were turned down, while this figure jumped to 72.2 in the latter period. Concerning economic and social issues, the corresponding figures were 37 per cent and 40 per cent, and for procedural and other questions—23.1 per cent and 46.7 per cent. The drop of US influence in the OAS could also be seen from the fact that the percentage of American personnel in the organisation fell from 53 per cent in 1953 to 17 per cent in 1975.<sup>54</sup>

US diplomacy suffered more serious defeats in the OAS in the 1970s: in 1971, US efforts to have the OAS adopt a convention calling for strong reprisals against "international terrorism" were thwarted; the same year the US was censured by the OAS for economic aggression against Ecuador; in 1973, the organisation discussed the activities of the transnational corporations, adopted the principle of ideological pluralism and resolved to restructure the inter-American system; in 1975, Washington was condemned for enacting discriminatory trade laws; in 1978, a Code of Conduct for the transnationals was adopted.

In June 1979 US diplomacy suffered another defeat in the OAS in connection with events in Nicaragua. At a convocation of the 18th Consultative Council of Ministers of Foreign Affairs called by Washington, Latin American representatives refused to acquiesce to US plans calling for sending an OAS "peace-keeping force" to the country. What the US wished was to repeat the intervention conducted under the OAS flag in the Dominican Republic in 1965 and thereby prevent the Sandinista National Liberation Front from coming to power. But, as the *Washington Post* reported, the US Government had underestimated the negative attitude the majority of Latin American countries felt toward any hint of direct US intervention

into the affairs of countries in the western hemisphere.<sup>55</sup>

The resolution passed by the Consultative Council upon the initiative of the Latin American countries condemned the inhuman Somoza regime and called for the creation of a transition government in Nicaragua on a broad democratic basis. The United States was compelled to vote in favour of this resolution, opposed were the representatives of the Somoza regime and Paraguay, while delegates from Guatemala, Honduras, El Salvador, Uruguay and Chile abstained. This resolution served to strengthen the position of the Sandinista National Liberation Front on the international scene, reflecting the positive changes occurring in the region.

Thus, in the 1970s there were good reasons to believe that a significant number of Latin American countries had developed a critical attitude toward pan-Americanism and were helping gradually transform the OAS from a pro-US body into a forum where the Latin American member-countries exercised increasing influence. However, the process was by no means a smooth one, and many differing political factors influenced it as was evidenced at the Tenth session held in October 1979 in La Paz.

Speaking at the session, Secretary of State Vance expressed US concern for the future of inter-American relations: "The Eighties challenge us," he stated, alluding to the exacerbation of trade and economic problems between the US and Latin America.<sup>56</sup> Vance's speech also contained proposals which indicated Washington's intentions to create a new, modernised system of dependence in the western hemisphere which would help guarantee the development of Latin American countries along capitalist lines. Vance underscored the fact that the basis for the successful development of inter-American relations was the Latin Americans' acknowledgement of interdependence between the US and the region. Grossly distorting the nature of Soviet-Cuban relations, Vance declared that one of the reasons such "interdependence" was necessary was the threat of "outside nations". At the same time, Vance urged the Latin American countries to adapt to new forms of interdependence, among which he included defending human rights, joint adherence to democratic institutions and cooperation on energy matters. Vance's speech revealed US intentions to

take advantage of bourgeois-reformist trends in several Latin American states in order to create a submissive bloc of countries, and also reflected Washington's interest in obtaining new energy sources. As far as inter-American trade and economic cooperation was concerned, Vance simply called for strengthening the role of the IABD. And concerning the OAS, the Secretary of State essentially repeated what he had said at the 1978 session, again stating the necessity for strengthening the Secretariat.<sup>57</sup>

At the La Paz session, the United States was once again criticised by a number of states, primarily Nicaragua and the Caribbean countries, who protested against the whipping up of tension in the Caribbean under the pretext of a Cuban threat. Upon the initiative of six Caribbean countries, the Ninth Session adopted a resolution calling for turning the region into a "zone of peace". Inasmuch as the resolution was adopted at the time when the US was trying to involve its partners in the inter-American system in its actions against Cuba, it was clearly anti-American in nature. At the same time, the Jamaican representative, with the support of other states, proposed readmitting Cuba to the OAS.

The Ninth General Assembly Session again demonstrated the regional states' interest in decreasing the military-political obligations that participation in the inter-American system involved. For example, the representatives of Jamaica and Trinidad and Tobago proposed a 10 per cent decrease in the Inter-American Defence Council's budget. This would have been the first step in abolishing the body created to coordinate the entire system of inter-American military cooperation. But the US managed to block the passage of the proposal.

Delegates from Bolivia, Brazil, Venezuela and the Dominican Republic spoke out against the Carter Administration's economic policy toward the Latin American countries. And the majority of member-states once again urged that work be renewed on restructuring the inter-American system by "Latinising" its organs and creating "new mechanisms for economic cooperation".<sup>58</sup>

Some of the decisions adopted at the session reflected the indisputably increased influence in the OAS of the Latin

American countries in the past decade; for example, the decisions to grant independence to Belize, to cooperate in providing Bolivia with an outlet to the sea, censuring Chile and Paraguay for the violation of human rights, and others. At the same time, the session's main document—the Declaration of La Paz—which was proposed by the Andean group of countries (Venezuela, Colombia, Peru, Ecuador and Bolivia) revealed that several countries which had previously followed an independent line in the OAS had “slipped” into positions of compromise in relations with the US. Unlike all other OAS General Assembly final documents concerned with matters of trade and economic cooperation, the Declaration of La Paz did not contain any mention of collective economic security. It merely called for refraining from measures that might impede the economic and social development of the member-states.<sup>59</sup> Against this background the call to continue the campaign for adoption of the principles of the New International Economic Order seemed little more than lipservice to the cause.

There were a number of reasons why the Andean group refused to use the term “collective economic security”. As the most economically developed states in Latin America, ruling circles in these countries, particularly in Venezuela and Colombia, feared a serious deterioration of relations with the US. And the continued struggle for implementing the principles of collective economic security could polarise the inter-American system for an indefinite period and strengthen the anti-imperialist and anti-capitalist movement of the working masses in the regional countries. Moreover, Venezuela and Ecuador were hoping that the discriminatory trade legislation passed in 1974 would be revoked and had additional reasons for seeking a compromise with the United States.

Peru's position in the OAS was considerably altered. There were two primary considerations that determined US policy toward Peru in the early 1970s: the superficial character of the reforms underway in that country based on the so-called “third way” thesis and its deteriorating economic situation, which made it more vulnerable to pressure from the US. From 1977, especially after the General Francisco Bermúdez' Government had agreed to IMF “recommenda-



tions", Peru began to follow a more moderate line in the OAS, moving closer toward the policies of Venezuela, Colombia and Ecuador. The collective economic security doctrine, which had been initially proposed by Peru, was mentioned less and less frequently in official statements made by Peruvian representatives at OAS General Assembly sessions in the latter 1970s, finally disappearing altogether from the joint statement issued by the Andean group at the La Paz Session. At the final session, Peru's Minister of Foreign Affairs, Carlos Bedoya, announced that his country's previous proposals were almost "revolutionary in nature" and were not adopted due to a "lack of understanding on the part of other states".

The results of the Ninth OAS General Assembly Session revealed that the Latin American countries were continuing to closely connect ideological pluralism with the principle of non-intervention into their internal affairs. The La Paz Declaration states: "The principle of non-intervention constitutes the basis of inter-American relations while ideological pluralism fortifies those relations."<sup>60</sup> But the Declaration did not mention the other side of ideological pluralism, i.e., the right of every state to freely choose its own economic, political and social order. Instead, it called for "strengthening the democratic system", "enhancing inter-American solidarity" and "protecting human rights", without, of course, providing for the people's socio-economic rights.

The La Paz Declaration underscored the importance of detente, but at the same time, unlike previous documents concerning international cooperation which linked the concept of ideological pluralism with the relaxation of tensions between the US and USSR, it asked that Latin America be excluded from the problems between the great powers.<sup>61</sup> This point would appear to be a concession to those circles in the US which have traditionally tried to isolate Latin America from the critical problems of the day and return to the ideas of "the western hemisphere's exclusive interests", "special nature of inter-American relations", etc., which form the core of pan-Americanism.

The OAS reforms undertaken in the 1970s reflected not only Washington's unwillingness to alter the basic postulates of pan-Americanism but also the indecisiveness of the Latin

American bourgeoisie which, while wanting to achieve greater independence in their relations with the US, at the same time feared stirring up the revolutionary activities of the masses. This situation seriously weakened Latin American diplomacy and allowed Washington to bide its time, searching for weak points in the region's policies.

At the same time, considering inter-American relations today, it is evident that the Latin American countries' campaign for economic emancipation is an important precondition for consolidating their joint political demands in the future. This campaign, as can be seen by the reforms made in the inter-American system in the 1970s, is a part of the world movement of developing countries. It necessarily transcends purely economic considerations and spreads into the spheres of military-political and ideological relations.

In an interview with the *Washington Post* OAS General Secretary Alejandro Orfila expressed the common opinion of all the Latin American states, noting that unconcern for the problems of development would unavoidably weaken the ability of the OAS to preserve peace in the political sphere.<sup>62</sup> This concept, upon which the struggle for reform is based, is being further developed. Today it is reflected in the Latin American states' active campaign, within the OAS as well, to curb the arms race and strengthen international security. During the Eighth OAS General Assembly Session, 11 Latin American states issued a joint declaration expressing their common concern over the accelerating arms race in the countries of the region. The session adopted Mexico's proposal to form within the OAS a consultative commission on disarmament at the ministers of foreign affairs level.<sup>63</sup>

#### **4. Military Policy.**

##### **The Carter Doctrine and Latin America**

Military cooperation comprises a special aspect of US foreign policy in Latin America. Less changes and alterations were made here than in any other field: throughout almost the entire post-war period the Pentagon managed to maintain control over the armed forces of the Latin American countries, utilising both the mechanism of the inter-American system

and the many bilateral military agreements with regional governments.<sup>64</sup>

For many years Washington's military policy in Latin America was essentially directed toward achieving two important goals: preserving US control over the armies in the region and keeping down the arms race there. To accomplish this, the US directed its major efforts toward training the officers' corps of the Latin American armies in American educational centres,<sup>65</sup> with great attention given to anti-guerrilla warfare. At the same time, Washington limited shipments of modern weapons to the Latin American region, a position that was in sharp contrast to the US policy to stir up tension and accelerate the arms race in the regions bordering the Soviet Union. As a result, Latin America's share in world military expenditures amounted until just recently to 2 per cent, and the region's share in buying foreign armaments—6 per cent.<sup>66</sup>

US foreign policy in Latin America stirred up increasing dissatisfaction among military circles in the region which wanted to procure modern weaponry from abroad. This situation led a number of Latin American countries to buy their weapons from Western Europe, a trend that became especially evident after the American Government refused to sell the Northrop jet fighter to the Peruvian Air Force in 1967 and the Peruvian Government bought the Mirage planes from France. As a result, from 1967 to 1976 the US supplied Latin America with only 30 per cent of its arms needs, and in the following years, this percentage dropped to 15 (in the 1950s the region received 70 per cent of its armaments from the US).<sup>67</sup>

The Latin American countries purchased 3.45 billion dollars' worth of armaments from 1967 to 1976. Of this amount, a little more than 1 billion dollars (29.6 per cent) was accounted for by purchases in the United States, and armaments to the value of approximately 1.3 billion dollars (37.5 per cent) were received from the three leading weapon exporters in Western Europe: 556 million dollars (16.1 per cent) from France, 469 million dollars (13.6 per cent) from Great Britain and 270 million dollars (7.8 per cent) from West Germany. It is interesting to note that of the 143 supersonic

planes purchased by the Latin American countries from 1967 to 1976, only 16 were bought from the US.<sup>68</sup>

The South American countries of Argentina, Brazil and Chile, which are responsible for 60 per cent of Latin America's military spending, made the most significant weapons purchases beyond the boundaries of the western hemisphere. According to information provided by the Stockholm International Peace Research Institute, in the 1970s Argentina purchased military planes and helicopters from Great Britain, Italy, France, West Germany and Holland, and also French missile corvettes. Moreover, there were talks concerning the buying of shipyards in West Germany for the construction of submarines. The Brazilian Army acquired three Oberon submarines and six missile-carrying Niteroi frigates from Great Britain and also the Roland self-propelled missile launchers produced jointly by West German, French and British firms and used by the US as well. Chile's fascist-military junta conducted a sweeping programme to modernise its armed forces: from 1973 to 1977 the country's military expenditures jumped from 259 million dollars to 882 million dollars.

In the mid-1970s Chile purchased two Oberon submarines (45 million dollars), helicopters manufactured by the West German firm Messerschmitt-Bölkow-Blohm, air-to-air rockets from Israel and air-to-surface rockets from the West European firm Aerospatiale.<sup>69</sup>

The Latin American countries' increased spending on foreign-made armaments turned the region into a good market for military hardware and attracted ever more attention from the exporting states. This led to greater competition among the suppliers, and, as a result, American monopolies were more and more often losing profitable orders. For example, according to State Department figures, from 1966 to 1977 the countries of Latin America ordered 1.7 billion dollars' worth of weapons from abroad. The US received 13 per cent of these orders while Western Europe took 75 per cent.<sup>70</sup> Thus, it was apparent that the Latin American countries' military dependence on the United States, which had until a short time previously been practically absolute, had considerably weakened. Critics charged that Washington's military policy in the Latin American region had damaged the national

interests of the United States and demanded that it be altered, specifically calling for the lifting of all limitations on the sale of modern weapons. It was under these circumstances that the Carter Administration was forced to formulate its fundamental principles of military-political relations with Latin America.

The Carter Administration was trying to link the question of granting military aid to the human rights issue.<sup>71</sup> The first action in this direction was Cyrus Vance's statement on February 24, 1977, in which the Secretary of State announced that military aid to Argentina and Uruguay would be cut because, in the opinion of the Washington Administration, this would push these governments to take measures to "democratise" their countries. But the reaction of the Argentine and Uruguayan governments was quite different: both governments refused military aid in general from the US, judging that the actions of the White House represented intervention into their states' internal affairs. In the following weeks a number of other Latin American countries refused American military aid for the same reasons: e. g. Brazil, El Salvador, Guatemala.

Practically speaking, however, the export of armaments to Latin America from the United States did not decrease; on the contrary, it grew.

The arms race in Latin America will be halted only when lasting peace and security are ensured in the region. But it is US policy that represents the major obstacle in achieving this. The presence of US armed forces, bases and other military facilities in Latin America greatly threatens peace and political stability in the region. The American Guantanamo military base<sup>72</sup> located on Cuban territory—against the will of the Cuban people—and used by Washington as a demonstration of force in the Caribbean Sea, is a direct threat to Cuba's security.

Provocations from American military circles increased after the creation in 1979 of a special Caribbean Task Force (with headquarters in Key West, Florida) and a Rapid Deployment Force which was responsible for "protecting" the economic and political interests of the United States through armed intervention. Washington's increased military activity in the

Caribbean at the end of the 1970s justifiably alarmed many Latin American countries who saw in these actions a return to "gunboat diplomacy". The Argentine Communist Party strongly condemned US provocations, stating that the goal of ruling circles in the US was to destabilise the world situation, check progress in putting an end to the arms race and hinder the Latin American peoples in their struggle for national and social liberation.<sup>73</sup> Washington's policy of increasing the US military presence in the Caribbean Basin was sharply criticised in a joint communique issued at the beginning of October 1979 by the Caribbean states—Guyana, Jamaica, Grenada and St.Lucia. It was noted in the communique that the measures taken by the US Administration seriously threatened peace and stability in the Caribbean. Subsequent events would confirm this fear.

Thus, from the beginning of the 1980, Washington set about fanning militarism. In his State of the Union Message, Jimmy Carter formulated a comprehensive programme to increase the country's military might and stated his intention to defend "by all necessary means, including military force", the so-called vital interests of the US in different regions of the world. This foreign policy stance, which became known as the Carter Doctrine, formed the basis of Washington's new adventurerist course in international affairs.<sup>74</sup>

The Carter Doctrine begins with the empty claim that freedom and peace in the world depend on the might of the US. Thus it is deemed necessary to forcibly expand US military presence in the most diverse regions of the world, which have been declared spheres of special interest to the United States.

The Carter Doctrine, of course, was primarily anti-Soviet in nature and spearheaded against the socialist countries. But since Washington officials believed that the struggle between socialism and capitalism was also taking place in the developing world, the US needed to fortify its positions and strengthen its military presence in different regions of Asia, Africa and Latin America. The areas close to the borders of the Soviet Union were singled out for special attention, but the traditional spheres of Pentagon activity, primarily Latin America, were not forgotten, either.

Despite the fact that the US already had large military contingents in Latin America (especially in the Caribbean subregion), the Pentagon began to expand this presence. For example, it was discovered that there were plans to construct a new American military base on Haiti and a military site in Uruguay. In January 1980, the Pentagon conducted "Black Fury-3" military exercise close to the Panama Canal and later, an exercise in Puerto Rico. In May of the same year, the US conducted a large-scale military game in the Caribbean Basin under the code name "Solid Shield". Taking part were 20 thousand soldiers and officers, 42 warships and 350 military planes. During the course of the manoeuvres techniques were worked out to mine the Caribbean Sea from the air with B-52 bombers and coordinate landing operations against the island states.

At the same time, fearing for the fate of submissive (to the US) reactionary regimes in Central America, Washington—in the spirit of the Carter Doctrine—increased military aid to the dictatorships, particularly Honduras and El Salvador. Moreover, there were reports in the world press that US special services were planning armed intervention in El Salvador.<sup>75</sup>

So, the Carter Administration entirely ceased to camouflage its policy behind declarations of "human rights" and returned to Washington's previous course of open support for military dictatorships.

The aggressive policy of American imperialism and its support of reactionary, military dictatorships serves to dangerously heighten inter-state problems in Latin America, particularly territorial disputes, which also fuel the arms race and represent a serious threat to peace and security in the region. At present there are more than a dozen sharp territorial disputes in Latin America. Imperialist circles often take advantage of this situation to heighten tension among neighbouring countries and thus hinder the development of inter-state cooperation in the region. Speaking about reactionary forces in the United States with respect to the territorial dispute between Venezuela and Colombia, the Communist Parties of both countries issued a joint communique which noted: "...Obviously the CIA and the Pentagon want to inflame chauvinistic feelings in both countries, creating

tension and launching an arms race."<sup>76</sup>

A conference of the communist parties of the Latin American and Caribbean countries held in Havana in 1975 discussed how imperialism and the forces of internal reaction were heightening tension in the region, fanning border conflicts and other inter-state problems and promoting the arms race in Latin America. The final document of the meeting stressed that Communists were "concerned by the artificial agitation of border conflicts among some countries which were being instigated by chauvinistic elements and secret espionage organisations of imperialism, which were trying to have questions that could be decided in a peaceful manner without imperialist intervention resolved in fratricidal wars".<sup>77</sup>

One of the manifestations of the progressive militarisation of Latin America is the active support for creating a South Atlantic Treaty Organisation (SATO) which would include not only the Latin American countries of Argentina, Brazil and Uruguay but also the Republic of South Africa.

It is clear that the establishment of SATO would not only start a new round in the arms race in the South Atlantic region but would also raise tension in that part of the world. And precisely for that reason democratic forces in the countries of South America are making every effort to prevent the formation of another military bloc.

The proposals of the Carter Doctrine and Washington's virtual renunciation of detente could not help but arouse the concern of realistic political figures in Latin America. This is understandable for, as was noted at the June (1980) Plenum of the Central Committee of the Communist Party of the Soviet Union, detente "has taken root in modern international life and there exist real preconditions for preserving it as a dominant trend in international politics".<sup>78</sup>

It was this goal—preserving and strengthening detente—that prompted President José Lopez Portillo of Mexico to visit six Latin American countries (Cuba, Brazil, Nicaragua, Panama, Venezuela and Costa Rica) in 1980. Lopez Portillo, it was reported abroad, is trying "to form a united front against a possible return of Cold War politics to the region..."<sup>79</sup> Another indication that Latin American leaders were interested in seeing detente established was the joint statement issued



by Argentine President Jorge Videla and the President of Brazil, Joao Figueiredo, where the two leaders called upon the international community to develop a dialogue between countries which could allow for a gradual easing of tension and the creation of an atmosphere of trust and mutual understanding. The Presidents also noted the importance of ensuring peace in the South Atlantic.

The Carter Doctrine was rebuffed by Latin American diplomacy at the 35th UN General Assembly Session held in the autumn of 1980. Expressing the general opinion of participants, who rejected US pretensions at world domination, Mexico's Minister of Foreign Affairs, Jorge Castañeda, declared that intervention in the name of defending "national interests" must cease in modern international relations. He added that there were no "vital interests" that could at present or at any time justify the domination of one people over another, and that the only vital interest of all countries and peoples is peace.<sup>80</sup>

Facts reveal that Carter's military policy in Latin America was characterised by the traditional desire to act from a "position of strength" and exercise control over the military-political situation in the region. At the same time, America's weakened position in the world inevitably led to the country's decreased influence over the Latin American states in military matters and clearly curtailed possibilities for the US to dictate its will to its southern neighbours. This state of affairs also influenced the stand taken by official circles in Washington vis-à-vis the nuclear agreement between Brazil and West Germany.

Immediately following World War II, the US set about to consolidate its monopoly over nuclear weapons in the western hemisphere.<sup>81</sup> To this end, Washington utilised several methods: from concluding unequal nuclear agreements with Latin American countries (similar to the American-Brazilian secret nuclear agreements in the early 1950s), to establishing control over the construction and operation of nuclear power stations, specifically, taking advantage of its monopoly on fuel for such stations (most often, enriched uranium). However, American laws forbid the export of equipment for the enrichment of uranium and the regeneration of nuclear fuel, since these

operations make it possible to obtain plutonium, an element that could be used for making nuclear bombs.

America's nuclear monopoly in the western hemisphere was made tenuous in 1975 after Brazil signed a nuclear agreement with West Germany allowing this Latin American country to buy eight nuclear reactors, a uranium enrichment plant and equipment for the regeneration of nuclear fuel (a by-product of which would be plutonium). Additionally, the agreement called for the creation of a joint company to prospect for and extract raw uranium, and obliged Brazil to supply the West German nuclear industry with uranium for a period of 25 years.<sup>82</sup> According to the latest estimates, the nuclear cooperation programme envisaged in the agreement is valued at 30 billion dollars.

This agreement seriously damaged not only Washington's nuclear strategy in Latin America but also the interests of American corporations, which lost an enormous business opportunity. It is interesting to note that whereas until 1972 US monopolies accounted for 85 per cent of exported nuclear equipment in the world, by the end of the 1970s, this figure had dropped to 42 per cent.<sup>83</sup> If all the terms of the Brazilian-West German agreement are fulfilled, it will weaken the position of American monopolies even further. In principle, Brazil could have the ability to produce nuclear weapons already in the early 1980s.

The signing of this nuclear agreement roused the concern of a number of Latin American states, especially Argentina, Venezuela, Colombia, Mexico and Peru, the governments of which considered it a dangerous action that could unleash a nuclear arms race in Latin America.

Striving to maintain America's nuclear monopoly in the western hemisphere, the Carter Administration endeavored to prevent the full realisation of the Brazilian-West German agreement. Immediately after the Democrats took over the White House, Vice-President Walter Mondale met with Chancellor Helmut Schmidt and brought up the question of introducing changes in the agreement that called for supplying Brazil with the technology and equipment to enrich uranium and regenerate used fuel. Schmidt's reply to Washington's demarche was to state that any changes in the agreement

would be made at Brazil's request, that West Germany did not intend to amend the document in any way and would not even sound out the opinion of the Brazilian Government on the question.

Following the failure of Mondale's mission, Washington tried to exert pressure on Brazil: at the end of February-beginning of March 1977, Assistant Secretary of State Warren Christopher visited the country. But his trip did not bring about the desired results either. On the contrary, in answer to US pressure and reproaches against the country for violating human rights, the Brazilian Government dissolved the military agreement with the United States that had been signed in 1952. American-Brazilian relations plummeted. The crisis became even more severe when the US Nuclear Regulatory Commission halted a shipment of nuclear fuel to Brazil to be used in the country's first nuclear power station (which had been constructed by the American company Westinghouse Electric).

Those US circles that continued to view Brazil as one of Washington's "preferred allies" in Latin America were most displeased with the complications in American-Brazilian relations.

Further changes in the Carter Administration's position concerning the nuclear agreement between Brazil and West Germany occurred after the American President met with the major NATO allies of the US in London (May 1977). It was after this meeting that the White House recognised *de facto* the Brazilian-West German agreement.<sup>84</sup> At the same time, Washington took steps to normalise relations with Brazil: in mid-May Terence Todman visited the country and announced that Brazil and West Germany were free and sovereign countries and that the US had no right to interfere in their relations with each other; and in July, Carter even sent a personal message to Brazilian President Ernesto Geisel which was viewed in diplomatic circles as supporting the nuclear agreement. Finally, in November 1977 the United States lifted restrictions on the supply of nuclear fuel to Brazil, an action that revealed Washington's falling influence on the foreign policies of the Latin American countries.

It is our opinion that the US was losing influence at this

time in part due to the absence of a clear and consistent policy with respect to the nuclear issue. This was seen in the position taken by official circles in Washington on the Treaty of Tlatelolco (Treaty for the Prohibition of Nuclear Weapons in Latin America) signed in 1967 and enacted in 1969. As is known, the principal objective of the Treaty was to prevent the appearance—in any form—of nuclear weapons in the region or, at any rate, on the territory of those states that had signed the Treaty. After coming into full juridical force, the terms of the Treaty were to cover a vaster area.<sup>85</sup>

On the one hand, the US, having signed supplementary protocols I and II (the first being signed during the Carter Administration) was a party to the Tlatelolco Treaty. But the American Senate to this day has not ratified protocol I wherein the United States, as a country possessing territories within the boundaries of the geographical region covered by the Treaty, agrees to observe the non-nuclear status of the zone. Moreover, the US continues to keep nuclear arms in the region (for example, on bases in Puerto Rico). Thus, in practice, Washington is hindering the further development of the Latin American region as a nuclear-free zone. The discussion of the Tlatelolco Treaty in the US Senate reflected this very well. As can be seen by comments made by Washington politicians and generals, even if the US agreed to all the terms of the Treaty this would not fully prevent the Pentagon from keeping nuclear arms in the region.<sup>86</sup>

Under the weight of many internal and outside factors, there is a growing opinion in Latin America that the regional countries' national interests are incompatible with Washington's military-strategic interests, that the future of the Latin American states is integrally connected with the establishment of international detente and efforts to prevent imperialist circles from returning the world to the vice of the cold war.

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29. *Ibid.*, April 29, 1977, p. 503.
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33. *Pravda*, May 25, 1980.
34. *El Día*, May 8, 1980.
35. Declaraciones del Secretario de Estado de los EE.UU. Exc. Señor Cyrus Vance. Doc. OEA/Ser. PAG/inf. 92/77, Washington, June 14, 1977, p. 16.
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57. *Ibid.*, pp. 3-4.
58. *El Día*, October 11, 1971.
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64. For additional information see: K. S. Tarasov, "SShA-Latinskaya Amerika: sistema voyenno-ekonomicheskikh otnosheniy", in: *Latinskaya Amerika*, No. 2, 1976; V. N. Selivanov, "Imperialism SShA i gonka vooruzheniy v Latinskoi Amerike" in: *Latinskaya Amerika*, No. 6, 1979; *SShA i Latinskaya Amerika*, Moscow, 1978.
65. From the beginning of the 1950s to the mid-1970s, more than 70 thousand Latin American officers went through training in the US and the Panama Canal Zone (*Desarrollo Indoamericano*, June 1977, p. 15).
66. *World Armaments and Disarmament. SIPRI Yearbook 1977*, Stockholm, 1977, pp. 222-23.
67. Arms Trade in the Western Hemisphere. Hearings before the Subcommittee on Inter-American Affairs of the Committee on International Relations, House of Representatives, Washington, 1978, pp. 113, 228.
68. *World Military Expenditures and Arms Transfers. 1967-1976*, Washington, 1978, pp. 30, 117, 160, 165.

69. *World Armaments and Disarmament. SIPRI Yearbook 1977*, pp. 310-13.
70. G. Atkins, op. cit., p. 203.
71. It should be noted that here again Washington's characteristic manner of providing aid with political strings attached is evident. Speaking before the US Congress, Terence Todman said: "The military aid to Latin American governments is a political instrument which enables US to exercise certain influence on their position and activities. In few words it is the means of defense and pushing forward of our numerous and various interests" (*Congressional Record*, May 23, 1977, p. H.4786).
72. Guantanamo—the oldest US military base abroad—and the Roosevelt Roads Base in Puerto Rico are widely used by the US Second Naval Fleet which, depending on the circumstances, may include up to four aircraft carriers and also over 60 destroyers, frigates and patrol boats and a landing party.
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76. *Revista internacional*, No. 11, 1978, p. 64.
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## *Chapter Four*

### **The Reāgan Administration: a Policy of Aggression and Interventionism**

The events of the first half of the 1980s (particularly, the British-Argentine conflict, US military aggression in Grenada, increased hostilities against Cuba, imperialism's undeclared war in Central America) clearly demonstrated the importance Washington attaches to the strengthening of its military-strategic, economic and ideological positions in the Latin American region.

The increased significance of Latin America for US imperialist strategy and Washington's more aggressive course in the region have been observed for a number of years and are to a considerable degree determined by deeply ingrained factors in imperialist politics: the unprecedented growth of militarism and the influence of the military-industrial complex; the extension of transnational capital; increased state-monopoly trends which promote closer ties between the monopolies, the military, and reactionary political forces; aggravation of inter-imperialist contradictions.

In endeavoring to upset the military-strategic balance and achieve American hegemony throughout the world, the US military-industrial complex, which helped elect Ronald Reagan to the White House, has succeeded in thrusting forward on the political scene extreme right-wing forces. Under the slogan "revive a strong America and traditional values", the US began an unprecedented arms build-up, with the country expanding its military presence in various regions of the world. The installation of first-strike nuclear missiles in Western Europe poses a real danger to peace; never before has the threat of a global nuclear war seemed so frighteningly real.



The White House has sought a policy of confrontation with the socialist community and peoples' liberation movements (referred to as "international terrorism") in order to establish US imperialist domination over the world. As was noted at the 26th CPSU Congress, the more aggressive circles in imperialist countries would like to regain their sway over the peoples' destiny.<sup>1</sup> America's hegemonic aspirations have increased the danger of war in the world as a whole and in its separate regions, and have infringed upon the interests of all countries and peoples.

Latin America has traditionally been a region for US expansion. It was here that Washington's adventurist course was most vividly reflected and the political situation in the western hemisphere aggravated to the limit.

Latin America was the first region to experience the "struggle against international terrorism" doctrine of the Reagan Administration. Immediately after coming to power, Reagan determined that Latin America would be the testing ground for Washington's relations with the Third World and the arena for the fight against communism. Guided by this approach, Washington's Latin American policy was given the following major tasks:

- continue the campaign against socialist Cuba, tighten the blockade around the country and politically isolate it from the rest of the region;
- suppress the liberation movements of the Latin American peoples, especially popular action against reactionary regimes in Central America;
- destabilise and overturn progressive, anti-imperialist governments (primarily in Nicaragua and Grenada);
- provide open political, economic and military aid to bloody dictatorships and pro-Western governments;
- create propitious conditions for the further expansion of American transnational corporations in the region;
- strengthen trade, economic and financial ties between the Latin American countries and imperialist centres;
- undermine the mutually beneficial ties between Latin America and the USSR and other socialist countries.

It is clear that this programme envisaged by aggressive circles in the US opposes the path of social development in

Latin America. But the open interventionist policy, which has been galvanised by the present Washington Administration and stems from the "gunboat diplomacy" and "big stick" policies followed under President Theodore Roosevelt, threatens the vital interests of the peoples of Latin America, aggravates tensions in the "hot spots" of the world and leads to direct armed intervention on the part of the US against sovereign states.

## **1. Latin America as Seen by Imperialist Ideologists**

In recent years aggressive imperialist circles, particularly in the US, are increasingly turning to a psychological warfare, unprecedented in scope and temerity, against the Soviet Union and the other socialist countries. It seems as if the president in the White House is trying to outdo all his predecessors in anti-Sovietism, making anti-communism a "red-hot" issue.

The bourgeois press has called Washington's course the "strategy of direct confrontation". What is meant here is the continuation of American imperialism's aggressive foreign policy previously reflected in such well-known military concepts as "massive retaliation", "flexible response", "realistic deterrence" and directive No 59, approved by Jimmy Carter, and also the hardening of this line.

The direct confrontation strategy, aimed at increasing international tension, drawing other countries into the military sphere of influence of the United States, depriving mankind of the opportunity to find some alternative to the dangerous course of events in the world, reflects the desire to return to the worst times of the cold war.

This is also clearly evident in the ideological battle being waged in Latin America. Official circles in the US consider that penetration into this sphere and direct intervention are necessary to the country's military-strategic and economic expansion and the establishment of domination in Latin America. US ideological intervention is conducted under the flag of anti-communism and the glorification of "American democracy", which has left its mark on the entire complex of ideological problems facing Latin America. Washington is

making an effort to disguise its alien ideas in such a way as to force them into the consciousness of the Latin Americans.

The Reagan Administration's Latin American course is distinguishable from that of previous administrations in that virtually every problem that exists in the relations between the US and its southern neighbours, and newly developing phenomena in the economic, political, social and cultural life of Latin America and the Caribbean Basin are viewed for the most part (if not exclusively) from the standpoint of America's global conflict with the Soviet Union and the socialist world as a whole. The concept of "special relations" between the US and Latin America, which had been adhered to by official circles in Washington for many decades (this, for example, was the basis for the "Alliance for Progress" Programme) was categorically shoved aside by the Reagan Administration.

It should be noted that not only was the above-mentioned postulate used as the basis for the functioning of all the parts in the US propaganda machine directed towards the Latin American countries, it also served to form US strategy concerning complex and urgent crisis situations in the region.

The "New Inter-American Policy for the Eighties", confidentially drawn up in May 1980<sup>2</sup> and later made public and widely touted by American propaganda, can, on this basis, be considered the Reagan Administration's programme document concerning Latin America. The document was prepared by a group of experts (the so-called Santa Fe Committee) who helped to formulate US foreign policy. It analyses the situation in the region during the late 1970s-early 1980s and offers recommendations concerning Washington's Latin American policy in the future. Rodney Arismendi, First Secretary of the Uruguay Communist Party Central Committee and a leading figure in the international communist and workers' movement correctly observed: "... one should not underestimate a single line in the Santa Fe document. Experience shows that what we have before us is not a particular opinion but a specification of the ultimate, global aims of US Latin American policy."<sup>3</sup>

The Santa Fe document was noted for its bellicose nature, strident anti-communism and anti-Sovietism and propagation of Washington's hegemonic aspirations. "Latin America, like

Western Europe and Japan, is part of America's power base," state the authors. "The United States must seek to improve its relative position in all its spheres of influence."<sup>4</sup>

The "arguments" used in the document were neither innovative nor original. More than anything else, they were a Latin American version of the "Soviet threat". The document was filled with numerous panic-evoking statements claiming that international detente was dead, that the US was already engaged in a third world war, that the Soviet Union had managed to win the first two phases (of "restraint" and "detente") and that one after the other the Latin American countries were falling into the iron grip of the "Russian bear". The authors brazenly stated that there were two alternatives: peace on Soviet terms or the establishment of American power over the entire planet.

Stirring up war hysteria, these "theoreticians" maintained that a so-called USSR-Cuba axis represented a mortal danger to the US and was spearheading its attack against the country's vulnerable southern flank. Attempting to intimidate the public, these men declared that the Caribbean, where the US had many sea communication lines that provided for the delivery of oil and other types of raw materials to the country, was turning into one of the Soviet Union's spheres of influence. They also viewed the mutually beneficial trade the USSR enjoyed with the Latin American countries, the development of cultural and scientific exchanges and political cooperation through a prism of anti-Sovietism, claiming that this represented "dangerous penetration" and was designed to establish Soviet domination over Latin America. Reagan's Latin America course is characterised by the fact that old policies are being revived in fundamentally different circumstances where aggressive, interventionist actions of a regional nature may place the world on the brink of a thermonuclear war. The policy of interventionism adopted by Washington seriously threatens the vital interests of the Latin American peoples, stirs up tension in the "hot spots" of the world and creates conflict situations and breeding grounds for war.

The myth of the Soviet threat was needed by the Santa Fe Committee in order to justify the hegemonic, imperial actions of the US in Latin America as well as its right to rule

the countries in the region under the pretext of defending them from the enslavement of international communism. This represents nothing more than "big stick" and "gunboat diplomacy" in modern times, policies that were recommended for use primarily in the regions of Central America and the Caribbean where the peoples of El Salvador and other countries had unleashed a war against reactionary dictators.

The document's new recommendations concerning US Latin American policy in the 1980s fully reflected a militarist approach to international relations that became right from the start the banner of the "Reagan team". Top priority was given to measures to strengthen the military component of the inter-American system (the Rio Treaty and Inter-American Defence Board). The authors of the document recommended that Washington put all its efforts into adding a series of subregional military alliances to the Rio Treaty (in the South Atlantic, Caribbean, etc.), consolidating "joint defence" by persuading Canada and other NATO members to join in regional military cooperation, significantly expanding its military and other forms of assistance to "legal" governments under the attack of "international terrorism" and also creating on a permanent basis the notorious inter-American peace force—a weapon of interventionism.

The recommendations contained unveiled threats to invoke military sanctions against those Latin American countries, especially socialist Cuba, which challenged US imperialism in the region or refused US guardianship: "If propaganda fails, a war of national liberation against Castro must be launched";<sup>5</sup> and "If the present treaties fail, place the Panama Canal under the protection of the Inter-American Defense Board to insure that the nations of this hemisphere have free and fair access to the Pacific and Atlantic Basins".<sup>6</sup>

It is also important to consider Latin America's urgent socio-economic problems, for example, the rising foreign debt, food, unemployment, need for modern technology for industrial development, etc.

But the Santa Fe Committee was strangely silent concerning these problems, and their recommendations had nothing in common with the purported desires of the United States to further progress in Latin America. For example, it was

recommended that the Latin American countries be offered "joint cooperation" in the field of energy in order to guarantee a constant supply of gas and oil to the US. The regional countries were also urged to provide a favourable investment climate for American capital, i.e., to open the doors for transnationals' expansion even wider. According to the Santa Fe experts, "The United States should promote a policy conducive to private capitalism, free trade and direct local and foreign investment in productive enterprises in Latin America".<sup>7</sup> The objective of this policy was to increase the dependence of the Latin American countries on the world capitalist economy and further impede the establishment of a New International Economic Order based on principles of equality and justice.

The Santa Fe Committee's concluding statement, which served as its "credo", exhorted the US not to hesitate to use bold measures for the "defence of the western hemisphere" and to take "decisive action, such as the occupation of the Dominican Republic in 1965".<sup>8</sup>

Thus the "New Inter-American Policy for the Eighties" can, without any degree of exaggeration, be described as yet another catechism of American hegemony and interventionism in the western hemisphere, an ideological platform and programme of aggression.

The Santa Fe Document, as well as a number of other papers prepared for the Reagan Administration, served as the basis for three massive propaganda campaigns which determined Washington's entire foreign policy programme in Latin America during the first half of the 1980s.

First, increased emphasis on the "Soviet military threat" and "Soviet-Cuban conspiracy" against the Latin American countries. It was this smokescreen that Washington worked behind in conceiving, planning and carrying out its armed intervention against Grenada, and then endeavoured to present the invasion as a "necessary act" aimed at "halting communist expansion".

Second, conjectures about "international terrorism". Claiming to be waging a battle against international terrorism, the US intervened in Central America, increased military and economic support to the reactionary regime in El Salvador and turned Honduras into a bridgehead for aggressive actions

against Nicaragua. According to Washington, the liberation struggle of the Latin American peoples was nothing more than the actions of groups of rebels and terrorists.

And third, the "democracy and public diplomacy" campaign, which the White House announced with such pomp and ceremony in February 1983. Its aim was to come up with an additional way to morally justify the aggressive policy of the US in Central America and the Caribbean Basin. Claims were made to the effect that the victory of the liberation movements in such countries as Nicaragua had led to the establishment of leftist totalitarian dictatorships and a greater curtailment of democratic rights and freedoms than when rightist authoritarian regimes had been in power. This type of "argumentation" gave the White House an additional excuse for expanding aggressive actions against Nicaragua and for offering support to reactionary dictatorships in El Salvador, Honduras, Guatemala, Chile, Paraguay and other countries.

Maintaining the intensity of the foreign policy propaganda campaign, Washington requested that several commissions prepare a number of documents and reports that would give an "ideological basis" to and justify the aggressive course of the US in Latin America. Noteworthy among these was the National Security Council's report entitled "US Policy in Central America and Cuba up to and Including Fiscal 1984", and also the report of the National Bipartisan Commission on Central America (the Kissinger Commission). Ronald Reagan himself set the tone of the propaganda campaign. In 1983-1984 alone he made three speeches concerned with policy in Latin America (on April 27, 1983, at a joint session of Congress; May 8, 1984, before the Council of the Americas—in organisation uniting more than 200 powerful monopolies with interests in the Latin American region; and May 9, 1984, on American television).

More so than the reports of the commissions and corresponding agencies and research centres, Reagan's speeches were filled with lies and served to help justify more flagrant interference in the affairs of Latin America.

## 2. "Reaganomics" Versus the Economic Interests of the Region

Making the cornerstone of his foreign policy the fight against the forces of peace and social progress, and establishment of the United States as the dominant power in the world, President Reagan and the monopoly circles whose interests he represents singled out economic issues as a matter of special concern from the very start of the Republican Administration. And this is understandable inasmuch as in the 1970s the economy had become the "Achilles' heel" of the US.

American businessmen were becoming increasingly dissatisfied with the traditional government-monopoly regulation of the economy in the last decade. The principal reason for this discontent was the inability of this management to cope with growing economic problems: periodic drops in production were occurring with increasing intensity. Once prospering industries were hit with stagnation and decline. At the beginning of the 1980s the US economy, as well as that of other capitalist states, entered another crisis phase, which only served to increase dissatisfaction with the government's economic policy.

Administration strategists decided to channel this dissatisfaction against two "enemies"—domestic and foreign. The domestic enemy was defined as social legislation. There was some degree of logic here: in order to pave the way for more military spending, it was necessary to lift the burden of social programmes or, at the very least, limit them. In order to acquire the full support of the business community in allocating more funds to the military, it was necessary to promise to reduce income taxes and introduce investment profit incentives for civilian industries. Thus, "Reaganomics" was born. Increased aggression abroad turned into an attack against the interests of the working people inside the country.

At the same time, Americans were offered a foreign enemy image: competitors in Western Europe, Japan and even the developing countries. In the decades following the Second World War, the US continued to lose one position after the other on the world market. Not only did the percentage of American goods sold abroad decrease to a bare minimum in the 1970s, foreign monopolies also invaded the country's do-



mestic market. This gave Washington reason to claim that foreign competition was to blame for many of America's economic woes.

This marked the birth of external "Reagonomics" i.e., economic war against America's own allies, the use of all available means, including militarisation of their economies, to undermine the competitiveness of these countries, limit their access to the American market, curtail their cooperation with the socialist countries and revive American diktat in international economic affairs. In other words, despite the enormous socio-political progress made in the modern world, US monopolies were still living the fantasy of the "American century" and believed that the Reagan Administration would bring prosperity at the expense of other countries.

"Reagonomics" also predetermined Washington's policy in the sphere of international economic relations which, during the Reagan Administration, like never before, encouraged TNC expansion and the replacement of government assistance with the stimulation of private capital investments in the developing countries. This policy was formulated in its most succinct form by Alexander Haig, then Secretary of State, in speeches delivered at the 36th UN General Assembly Session and the 11th OAS General Assembly Session in 1981 and by Ronald Reagan himself in addresses before the annual meeting of the Boards of Governors of the International Bank for Reconstruction and Development (IBRD) and the International Monetary Fund (IMF) in September of that same year. Both men openly stated the necessity for relieving the plight of the small businessman, talked about the magic power of the market and the determination on the part of the American Government to stimulate private capital investment in the developing countries. In speaking before Latin American representatives in the OAS, high-level Washington officials spoke of strengthening private initiative and the opening of new markets.

The real goal behind this policy was clear: to persuade the developing countries to turn from a planned economy and any kind of state regulation and allow the transnationals complete freedom of action.

Reagan's policy concerning international economic relations seriously impeded the restructuring of the system of capitalist

world economic ties and establishment of a New International Economic Order, which the developing states, including Latin American countries, had been pursuing for many years.

While mouthing statements about free trade and calling on its trade and economic partners to open new markets, the Reagan Administration had no intention of allowing more access to foreign goods on the American market. On the contrary, Washington was increasingly turning toward protectionism.

As early as March 1981 the American State Department decided to increase the customs duties on a number of important Brazilian exports, including manufactured goods. Brazil's Minister of Finance observed that such measures could make international trade and relations between the developing and industrialised states difficult. In December of the same year, the US Government once again raised import duties on sugar. Colombia's National Association of Sugar Cane Growers reacted vehemently, calling the action arbitrary and dangerous for the countries of the Caribbean Basin and other regions. As the Association's chairman, Herman Urrutia stated, the new protectionist measures introduced by President Reagan in such an outrageous manner contradicted US claims that the country was conducting an economic policy directed toward improving relations with poor countries. In effect, Urrutia stressed, the decision would close the road for the development of normal trade relations between sugar-exporting countries and the United States.

In autumn 1981, the governments of Mexico, Peru and Canada admonished the American Government for dumping silver from its strategic reserves on the world market in order to drive down the price of the metal. This was not the first time Washington had done this, and each time the exporting countries had suffered considerably.

At the same time, ruling circles in the United States were encouraging TNC expansion in Latin America in every possible way. This was the real reason why the US Secretary of Agriculture, who in effect acted as the monopolies' trade agent, visited regional countries in spring 1982.

The Reagan Administration was a loyal advocate for the transnationals in the matter of working out a UN Convention on

the Law of the Sea, a process that had been initiated by the developing states (especially the Latin American countries) ten years before. Defending the interests of American monopolies anxious to be allowed to freely exploit sea mineral resources Washington tried to drag out, if not completely disrupt, the international forum on maritime law. The American delegation went back on previously reached agreements (which the US itself had helped to draft) and began to demand that the draft convention be altered to give the US unilateral advantages. But the socialist countries and developing states in Asia, Africa and Latin America decisively rebuffed these ploys.

The firm line taken by these countries prevented Washington from disrupting the international forum on maritime law and altering the draft convention which had been signed the first day, in December 1982, by the representatives of 110 states in Montego Bay (Jamaica). The US delegation refused to sign the convention, thus placing itself in opposition to the international community and again acting as the direct spokesman for the transnationals.

In November 1981, the First Latin American Economic Congress was held in Caracas. The participants arrived at the conclusion that the international economic policy of the Reagan Administration would have dangerous consequences for the regional countries. It should be noted that this prediction was born out, and Reagan was made aware of this during his trip to Latin America (Brazil, Colombia and Costa Rica) in November 1982. Thus Colombian President Belisario Betancur expressed the extreme disappointment of the Latin American peoples with Washington's regional policy, especially in the economic and financial spheres. He spoke out in favour of establishing just economic ties between the US and countries in South and Central America. Betancur specifically stressed that the United States should refrain from protectionism, which would seriously damage the economies of Latin American states.

However, the facts show that Washington had no intention of changing its course in international economic relations. Moreover, the US was trying to spread "Reaganomics" into Latin America. While in Brazil, President Reagan urged that country's business circles follow the US example. In an

article explaining what Reagan meant, the *Washington Post* stated that what was expected from Brazil, Mexico and other countries was negative economic growth, increased unemployment and less government aid to the poor. The Latin American peoples felt that the US President wanted to export "Reaganomics" to their countries.

From 1981 to 1983 the economic situation in the Latin American countries sharply worsened. This was especially evident in that foreign monopolies, primarily American, were expanding in the region and robbing even more wealth from the Latin American countries. From 1981 to 1983 alone the region paid Western monopolies and banks approximately 100 (!) billion dollars in investment profits and debt payments. This made it necessary to obtain new loans and, as a result, the foreign debt of the Latin American countries grew from 205 billion dollars in 1980 to 350 billion dollars by the beginning of 1984. At the same time, the rate of economic growth fell sharply: from 6.2 per cent in 1979-1980 to 1.5 per cent in 1981, and in 1982 and 1983, there was an absolute decrease in the region's gross national product (1.0 per cent and 3.3 per cent, respectively). Argentine President Raul Alfonsin compared the plundering practices of the transnationals with a neutron bomb dropped on the developing countries.

Experts generally agree that the present crisis in the Latin American economy is the worst it has known in the past 100 years; and "Reaganomics" played a considerable role. For example, high bank interest rates in the US resulted in a real "flight of capital" from Latin America to the US. From 1979-1982 alone 13.4 billion dollars was transferred from Argentina to the US, from Venezuela—approximately 16 billion, and from Mexico—more than 17 billion dollars, which led to a financial crisis in these countries. Many other states also found themselves in dire straits. In describing the financial and economic situation in the region, Sebastian Allegret, General Secretary of the Latin American Economic System (LAES),\* stated that the unprecedented growth of the foreign debt had led Latin America into a tunnel with no end in sight.

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\* Formed in 1975 and uniting most Latin American countries.

In January 1984, under the aegis of LAES and the UN Economic Commission for Latin America, a special conference was held in Ecuador's capital city of Quito. Participating were heads of state and government, ministers from more than 30 Latin American countries and representatives from 20 international organisations, who reviewed in full the region's economic situation. The final document of the conference—the Quito Declaration—underscored the fact that Latin America was experiencing a period of economic difficulty. And one of the most important causes behind that phenomenon was the economic policy being conducted by the US and other Western countries, who intended to place the burden of the capitalist economy crisis on the developing states: "This situation's most negative effect in the social sphere is reflected in record unemployment levels, a significant drop in private income and sharp decrease in the people's standard of living."

The Quito Declaration stressed the urgent necessity for changing the unequal nature of international capitalist economic ties and called upon the Latin American states to strengthen and extend regional cooperation in order to oppose the pressure from imperialism. The conference demonstrated that there was growing awareness in Latin America that imperialism, chiefly US imperialism, was to blame for the poor economic situation of the regional countries.

In May 1984, the US once again raised bank credit interest rates (to 12.5 per cent), which caused a wave of alarm throughout the Latin American region, not excluding the regional governments. And this is not surprising inasmuch as this jump meant that the already enormous foreign debt owed by the Latin American states would increase by hundreds of millions of dollars.

As credit became more expensive, many Latin American countries were placed on the brink of financial ruin. The Bolivian Government, for example, was forced to default on its foreign debt payments for four years. Other countries were considering similar measures. At the end of May 1984, the presidents of Argentina, Brazil, Colombia and Mexico bitterly denounced increased interest rates. These heads of the four most powerful states in Latin America called for convening

a regional conference in order to reach a general consensus among the debtor nations concerning the problem and adopt a programme of emergency action.

This meeting was held in June 1984 in the Colombian city of Cartagena. Participating were the ministers of foreign affairs, economy and finance of eleven Latin American states. The Cartagena Accord adopted at the conference contained demands for a sharp reduction in bank interest rates, the lifting of restrictions imposed by Western states on imports from the developing countries and easing of loan terms. The conference adopted a decision to form a coordinating commission of Latin American debtor nations to be headed by Argentina's Minister of Foreign Affairs, Dante Caputo. These actions served to indicate that Latin America was renouncing "Reaganomics" and was prepared to defend the economic interests of the region.

### 3. Lessons Learned from the Malvinas Crisis

The imperialist nature of US policy in Latin America was vividly portrayed in the spring and summer of 1982 when Great Britain forced a crisis in the British-Argentine conflict over the Falkland (Malvinas) Islands by staging a massive military operation designed to perpetuate the colonial status of this territory. Grossly violating its obligations to Argentina under the Inter-American Treaty of Reciprocal Assistance, Washington provided Great Britain with active military and political support, essentially participating in this act of colonial-imperialist aggression in South America. The *Economist*, a well-informed London weekly, reported: "The British operation to recapture the Falklands in 1982 could not have been mounted, let alone won, without American help".<sup>9</sup>

And in fact, Washington acted in concert with London throughout all phases of the operation's preparation and execution. Great Britain was ill-prepared for conducting a naval war in the South Atlantic. The country had no means for conducting reconnaissance by air, satellite hook-ups were insufficient, as were intelligence data and information. Moreover, Great Britain had only a few "air-to-air" rockets which would allow its Harrier planes to fight the Argentine Mirage

jets. But most importantly, Britain had no bases near the theatre of hostilities and needed an enormous amount of aviation fuel.

American assistance was roughly divided into three categories. First, the American Air Force Base Wideawake on Ascension Island was by and large put at the disposal of the British; and British planes were supplied with the fuel they needed from American military reserves.

Next, we have the weapons, the central place among these being occupied by the new Sidewinder missile, which played a decisive role in the military campaign. This weapon was responsible for destroying as many Argentine targets as all other weapon systems put together. The US made other missiles available to Great Britain as well: the Shrike, possessing a beam radar guidance system, anti-ship Harpoon and eight portable Stinger anti-aircraft missile systems. These and other types of arms and ammunition flowed into Ascension Island for the duration of the war. The overall cost of the deliveries (excluding the Sidewinder missiles and fuel) amounted to 60 million dollars.

The third important category of US support was assisting British intelligence efforts. American experts have claimed that the British obtained 98 per cent of their intelligence information about Argentine troop movements from US special services.

Using whatever means possible to enhance the military superiority of its most important NATO ally over Argentine armed forces, Washington simultaneously and characteristically "warned" other states about the serious consequences their intervention in the British-Argentine conflict would have. This position taken by the Reagan Administration clearly revealed the true meaning behind the call for increased "pan-American solidarity" and was sharply criticised in Latin America.

At the end of May 1982, an extraordinary consultative meeting of the ministers of foreign affairs of the OAS member-countries was held in Washington. The meeting adopted a resolution strongly condemning US actions. Most of the OAS members demanded an immediate halt to American military deliveries and the lifting of sanctions levelled against Argentina by the NATO countries. The resolution was approved by

17 Latin American countries, and only the representatives of the US, Chile, Colombia and Trinidad and Tobago abstained. The *Times* Washington correspondent wrote that the passing of the resolution underlined the "damage which the Falklands crisis has caused to United States' relations with Latin America... United States officials ... regard the vote as a significant setback for the United States in the Western hemisphere".<sup>10</sup> Speaking before the UN Security Council, the Venezuelan representative declared that US support of British aggression would have an unpredictable effect upon the future Organisation of American States and that system of security in the hemisphere embodied in the Inter-American Treaty of Reciprocal Assistance.

The Reagan Administration's policy was quite justifiably viewed in the region as a betrayal of Latin American interests. The Panamanian delegate to the UN underscored the fact that the Latin American countries should learn from the experience of the Malvinas crisis.

The most important lesson the Latin Americans learned from the crisis was that the interests of imperialism and those of Latin America were fundamentally opposed, that the aggressive militarist policy being pursued by certain Western circles posed a great danger, and that it was vitally important to work for disarmament and international security together with all peace-loving forces in the world...

This is the only way to prevent a repetition of what occurred in the South Atlantic. And it is all the more important inasmuch as imperialist circles in the US and Great Britain, which are planning to build a powerful military base on the Malvinas Islands, have clearly chosen a course to expand their military presence in that region. Speaking before the UN Security Council, Soviet delegate Oleg Troyanovsky stated: "It seems that British colonialism in the Islands must now be supplemented by a permanent American military presence. Thus, they want to add to the many military enclaves of the United States in Latin America still another—this one in the South Atlantic".<sup>11</sup>

The Anglo-Argentine conflict and the stance taken by Washington disclosed to the full the sharp crisis in the entire inter-American system, which at one time had been



imposed on Latin America by the United States. During the crisis period, for perhaps the first time in history, the Latin American countries were virtually united in their condemnation of US policy. High on the agenda was the possibility of creating a purely Latin American political forum. Having fallen victim to the direct armed aggression of imperialist forces, Argentina, along with other regional states, had learned from personal experience the "who's who" of international politics. Throughout the entire crisis the Soviet Union and other socialist countries strongly urged a halt to British aggression, condemned the sanctions levied against Argentina by Western powers and expressed their willingness to constructively cooperate with all interested parties in the peaceful settlement of the conflict.

The following should also be noted. Washington's support of British aggression aroused suspicion in the region concerning the anti-communist doctrines of "national security" and "ideological frontiers" and forced political figures in Latin America to re-evaluate foreign policy concepts and priorities in favour of increased self-reliance and expanded inter-regional cooperation. The conflict demonstrated the complete fallacy and falsehood of the doctrine based on a geographical rather than political division of the world into "East" and "West", "North" and "South", and revealed the total groundlessness of the alleged Soviet military threat to the Latin American region. Such a threat does indeed exist, but it stems from imperialism and NATO.

At a meeting of the Co-ordinating Bureau of the Non-Aligned Countries held in Havana at the beginning of June 1982, the Latin American group came up with a proposal to sharply condemn the colonial aggression of Britain and its US patrons. This was another lesson learned from the Malvinas crisis, that the decision to expand relations between the Latin American countries and the socialist community and to more actively participate in the movement of non-aligned countries was a correct one that met the vital national interests of Latin America.

In June and July 1982 a second UN General Assembly special session on disarmament was held to give new stimulus to talks concerning the vital issues of curbing the arms race

and disarmament, and to serve as a landmark on the path to convening a World Disarmament Conference. Speaking at the session, Mexico's Minister of Foreign Affairs Jorge Castañeda stressed that disarmament was imperative in order to ensure the survival of mankind. He called for laying foundations so that the present generation would not become the last in the history of man. Further, Castañeda stated that the Latin American countries would without fail actively cooperate in the efforts of the international community to establish a lasting peace.

The progressive community in Latin America is becoming increasingly convinced that the foreign policy of the regional countries should concentrate on the struggle against aggressive actions and imperialist plans, and support for the establishment of peace, international detente and disarmament. This will promote the strengthening of positive trends in the foreign policy of Latin American countries and even further enhance their role in international affairs.

#### **4. The Alliance with Anti-Popular Dictatorships. Policy with Respect to the Most Important Countries**

US relations with regional dictators underwent certain changes under the Reagan Administration. Blaming Carter for neglecting the "true allies" of the US, the Reagan Government took steps to restore the friendly ties with dictatorships that had suffered under the Carter presidency. Washington's increased efforts in this direction were conspicuous in the fact that a large number of delegations of different rank were sent to countries ruled by reactionary military regimes. In the 1981-1982 time period, US Ambassador to the UN Jeane Kirkpatrick visited Chile, Argentina and Uruguay, US representative to the OAS Permanent Council William Middendorf—Uruguay, Argentina, Chile and Paraguay, and former deputy-director of the CIA General Vernon Walters—Guatemala. Secretary of State Alexander Haig received the ministers of foreign affairs from Chile and Paraguay (the first such

high-level contacts in recent years). President Reagan himself met with the leaders of El Salvador and Guatemala.

Cooperation with the Pinochet regime expanded rapidly. Reagan lifted the sanctions imposed by Carter against Chile after Orlando Letelier, a former minister of the Popular Unity Government, was murdered in Washington by Chilean secret police agents. In 1981 representatives of the naval, air force and army high command exchanged visits. In Santiago, Jeane Kirkpatrick announced that Chile and the US were in complete agreement concerning the need to halt the spread of communism in Central and South America. The Chilean Navy was invited to participate in joint exercises.

Despite the fact that the US Congress had passed legislation which prohibited financial assistance to those countries where human rights were being grossly violated, the Reagan Administration adopted a decision authorising American representatives in international financial organisations to support loan requests from Chile, Paraguay, and Uruguay.<sup>12</sup> As a result, in January 1983, the International Monetary Fund granted the Pinochet junta approximately one billion dollars in loans.

In strengthening a "united front" with military dictators, the Reagan Administration was thinking about political and military strategy, because economic conditions for the expansion of American transnationals in these countries were already favourable. One of the major objectives here was to create at long last a South Atlantic Treaty Organisation (SATO), which would serve as an extension of NATO. A number of measures taken in 1981-1982 were connected with the SATO project: the establishment of closer relations between Chile and South Africa, visits to Buenos Aires by the chiefs of staffs of the American Army (General Edward Meyer) and Air Force (General Richard Ingram), increased activity of the South African lobby in the capitals of South American countries, etc. However, the Argentine and Brazilian governments clearly wanted nothing to do with these militarist undertakings, and without their participation the entire plan was left hanging in the air. This was just one of the sharp contradictions that separated the US from the powerful regional states.

It should be observed that US official circles consider the improvement of relations with Brazil, Mexico and Argentina

of crucial importance. Colombia, Venezuela, Chile and Peru, the countries making up the so-called second echelon, also receive special attention from the White House. Relations between the US and this group are quickly deteriorating, and Washington more and more readily resorts to the carrot and stick policy.

As we have already noted, the Reagan Administration adopted a strict, intransigent position with regard to the demands made by Latin American and other countries to create a new, just international economic order. Spurning the interests of its southern neighbours, the US more and more frequently adopted discriminatory measures which seriously harmed the economies of the regional countries. This served to drive Washington and Latin America even further apart. At the same time, the Reagan Administration was trying to establish closer ties, iron out differences and weaken contradictions with the more powerful Latin American countries, particularly Mexico and Brazil. High level diplomacy and calls for the strengthening of "pan-American solidarity" were used to try to achieve these goals.

Reagan administration officials would have liked very much to revive the "traditional American-Brazilian friendship", when Brazil supported Washington's policy in the western hemisphere. Yet these same officials showed no inclination to seriously consider the economic and political interests of the most powerful country in Latin America, but rather expected the country to automatically support the "crusade against communism" that had been declared by aggressive US circles. Washington maintained high hopes of achieving its goal when the usual talks were held between the two countries during an exchange of summit delegations in 1982.

Brazilian President Joao Figueiredo visited the US in mid-May 1982 at the height of the Anglo-Argentine conflict. Representatives of the Reagan Administration would have undoubtedly preferred a more propitious international climate for receiving the head of the Brazilian Government. It was announced during the meeting between Figueiredo and Reagan that Brazil supported Argentina's historical right to the Malvinas Islands, condemned British colonialism and urged that the conflict situation in the South Atlantic be solved legally through the UN. Reagan justified the United States' support

of its NATO ally by stating it was necessary to preserve the "integrity of US policy".

Reagan made an unsuccessful attempt to persuade Brazil to join in the battle against the "Soviet threat" in Central America. Nor could the American president elicit support for Washington's Mideast policy and Israeli aggression against the Arab peoples. And the two countries remained far apart on the African issue. Whereas the US wished to preserve the racist regime in South Africa as a Western stronghold on the continent, Brazil categorically condemned racism and apartheid, supported granting Namibia independence as quickly as possible and recognised SWAPO as the legal representative of the fighting Namibian people. Brazil also condemned South African attacks against Angola, a country with which Brazil was successfully developing economic and political cooperation.

The Brazilian president's visit to the US revealed that there were quite a few sensitive spots in the sphere of bilateral American-Brazilian relations. These were basically caused by discriminatory actions on the part of the US concerning Brazil's economic interests. One of the Brazilian ministers accompanying Figueiredo on his visit observed that "Reaganomics" had had a negative effect on the economy of Brazil, which maintained significant trade and financial ties with the US. As a result of import quotas on sugar cane, Brazil, a large producer and exporter of the product, had lost 500 million dollars.

Ronald Reagan's reciprocal visit to Brazil took place on his Latin American trip in December 1982. The President's basic aim in undertaking this journey was to find a way to reorganise the inter-American system under American auspices, for the system had been torn apart by the Malvinas crisis. Reagan also wished to demonstrate Washington's willingness to give a "constructive answer" to the charges against developed capitalist states made by the Brazilian president at the opening of the 37th UN General Assembly session in September 1982.

This new round of meetings and talks between Reagan, Figueiredo and other Brazilian officials occurred at a time when the streets of the major cities in the country were filled with demonstrators chanting "Yankee, go home!". The American president persisted in advising Brazilian government

officials to follow his policy of "Reaganomics" in order to overcome economic difficulties. The US Government announced it would grant Brazil 1.2 billion dollars in loans to enable the country to meet its most pressing payments on the huge foreign debt (amounting at that time to more than 70 billion dollars). During the talks an agreement was reached to form joint American-Brazilian commissions to discuss economic problems, the peaceful use of nuclear energy and cooperation in space exploration and in the military field.

Washington was clearly trying to take advantage of Brazil's difficult economic situation in order to pressure the country to alter its foreign policy course in a direction more suitable to the US. But these machinations on the part of the White House met with only limited success, for they could not eliminate the deep roots of the contradictions that were separating the two largest countries in the western hemisphere.

Mexico represents another key country in the region. As Washington extended its aggression throughout Central America and the Caribbean, the Mexican Government strongly protested foreign intervention in the affairs of the regional countries and supported the Sandinista Revolution. In an interview with foreign journalists held in November 1982, Mexican President José Portillo declared that his country had given and would continue to give allround assistance to Nicaragua. He went on to say that the Mexican Government supported the peaceful settlement of conflict situations in the region with respect for the principle of self-determination, and would work for the easing of tensions in the relations between the US and Cuba, Nicaragua and other regional countries.

However, Mexico's independent foreign policy course was jeopardised by the country's worsening economic situation. Falling oil prices on the world market and rising interest rates at American banks severely damaged the Mexican economy, and its foreign debt approached 90 billion dollars. Income from the sale of oil went almost exclusively to meet loan payments. The situation required decisive action. To stop financial speculation and the flow of capital abroad, Portillo announced that banks would be nationalised and the exchange of foreign currencies controlled. These actions met with the

immediate disapproval of US monopoly circles. Apparently, the US was counting on using the financial and economic troubles of its southern neighbour to alter Mexico's foreign policy.

The US placed definite hopes for beneficial changes in Mexico's foreign policy on the new Mexican President, Miguel de la Madrid, who assumed office on December 1, 1982. Madrid was the first president in the country's history to have been educated in an American university and spoke fluent English. Once in power, Madrid proposed a programme of measures for overcoming the financial crisis and fighting inflation and unemployment. In his words, the solution to the problems facing the country would as before depend on the oil industry—the basis of Mexico's economy. Moreover, it was apparent that the next few years would be decisive for Mexico. They would determine if in the future the country would have an economy hinged on oil or simply one well supplied with it. In the former circumstance, it was inevitable that the Mexican economy would continue to be extremely vulnerable, which could have an effect on the country's policy. On the other hand, the establishment of a developed economic system, increased ties with other countries and stronger economic independence would allow Mexico to stand firm on its independent foreign policy positions.

Madrid stressed that Mexico would continue to defend the right of peoples to self-determination and national sovereignty, and oppose interference in the internal affairs of other states. As an active supporter for the establishment of a New International Economic Order, Mexico more and more frequently acted to defend the interests of Latin America. The country's independent foreign policy answered the cause of peace and explained its growing international prestige. And this was why deep and persistent contradictions remained in the sphere of American-Mexican relations.

These were again revealed when Madrid visited Washington in May 1984. There was essentially no agreement reached on the economic, much less political, questions discussed. Moreover, before he left the US the Mexican president stated that the many problems existing in the relations between the two countries were becoming more complex and profound.

Mexico and the US have taken quite different approaches to the situation in Latin America. Madrid had laid down Mexico's position at his ceremonial meeting with Reagan in the White House. He called on the US President to implement the principles and norms of international law and to respect Latin American countries' self-determination, non-intervention, equality of states before the law, peaceful settlement of conflicts and international cooperation for the sake of development. In accordance with these principles and norms, Mexico categorically denounced any military plans which would threaten the security and development of the region.

The present administration in Washington stands diametrically opposed to these positions. It stubbornly prefers to rely on force to solve the problems in Central America and the Caribbean, mounting bloody reprisals against revolutionary liberation movements, directly intervening, sometimes with military force, into the internal affairs of independent states and conducting secret operations. This policy can be clearly seen in the undeclared war the US is presently waging against Nicaragua.

In an effort to persuade Mexico to acquiesce to its aggressive course in Latin America, Washington turned to flagrant political and financial blackmail. On the eve of the Mexican president's visit to the US, Reagan told television audiences that the communists had set their sights on Mexico after Central America. During the talks themselves, Madrid was reminded in no uncertain terms that approximately one-third of its 90 billion dollar national debt was owed to American banks.

But neither psychological pressure nor blackmail helped the White House to obtain what it wanted.

In an interview with the Mexican newspaper *Excelsior* in early July 1984, Madrid again stressed that Mexico would not alter its policy with respect to Central America. The Mexican Government was convinced, continued Madrid, that regional conflicts could be settled by diplomatic means.

US-Argentine relations were extremely complicated. Immediately after the conflict in the South Atlantic the Argentine Government began to strongly condemn the US, changed its former policy in Central America, specifically, ceasing the delivery of weapons to the region and recalling its military advisors



stationed in the area. Anti-American sentiment in Argentina was strikingly revealed at the Seventh Conference of Heads of State or Government of Non-Aligned Countries held in Delhi (March 1983) where the Argentine delegation frequently voted in favour of resolutions directed against Washington's expansionist course in international affairs.

The election to power of a civilian government headed by Raul Alfonsin consolidated positive changes in the country's foreign policy. Argentina began to speak out and act in favour of the establishment of world peace and security, and the country's relations with Cuba, Nicaragua and other Latin American countries improved. President Alfonsin made an effort to increase his country's prestige in the world and among the non-aligned states. Understandably, this course of action taken by one of the largest states in Latin America roused alarm among official circles in Washington.

In March 1984 Argentina's Ministry of Defence announced that the country's air force would not participate in the Unidas military exercise that was conducted annually by the Pentagon in conjunction with the armed forces of various Latin American countries. This decision was viewed in diplomatic circles as yet another indication of strong anti-American sentiment.

Under the circumstances, the Reagan Administration took great efforts to prevent Argentina from strengthening its independent foreign policy positions. A wide range of measures and means were used to achieve this goal. For example, in December 1983, Vice-President George Bush met with Alfonsin and announced that Reagan Administration was concerned by Argentina's desire to conduct its foreign policy independent of Washington. Using veiled threats, Bush gave Alfonsin to understand that the US could bring both political and economic pressure to bear on Argentina.

In the beginning of 1984 an unprecedented number of high-level American delegations visited the Argentine capital, and each, in one way or another, insisted that Argentina review those aspects of its foreign policy that did not suit Washington.

All indications point to the fact that pressure against Buenos Aires will continue to grow. It is extremely important to Washington to shove Argentina from its independent foreign

policy positions and bind it to US regional policy. And the US has the leverage to achieve this: Argentina's huge foreign debt, the still strong position of pro-American circles in the country, etc. But it is also apparent that a tendency toward an independent international foreign policy reflects the Argentines' greater political consciousness and is in keeping with the country's vital interests. And it is for this reason that Argentine-American contradictions will continue to exist and expand.

Thus, despite the political manoeuvring of the White House, the interests of the larger Latin American states and those of the US are more likely to diverge than converge, and this will limit Washington's ability to impose its own will.

## **5. Washington and the Revolutionary-Democratic Movement in Central America**

In the 1980s Washington concentrated its interventionist policy on Central America, specifically El Salvador where, after yet another government coup, a military-civilian junta took power. Under the leadership of the Farabundo Martí Peoples' Liberation Front and the Revolutionary Democratic Front, the people of this small country took up arms to fight against the repressive dictatorship. Approximately 50 thousand civilians had fallen victim to violence from the time of the military coup to mid-1984. Another 800 thousand fled their country, fearing persecution.

Under the pretext of fighting international terrorism, the Reagan Administration significantly stepped up the intervention in El Salvador begun when Carter was in office. Washington declared that El Salvador was a "fighting ground" against international communism and a "testing ground" for "East-West" relations. The US also accused Cuba and Nicaragua of supporting the Salvadoran rebels militarily. According to Washington's logic, the conflict in El Salvador did not stem from internal causes but was a battle in which the Sandinista Marxists and Cubans represented the USSR while the dictatorships in El Salvador, Guatemala and Honduras were fighting for "Free World's ideals".

In an effort to save the anti-popular regime in El Salvador,

Washington sharply increased economic and military support and began to supply a wide range of arms necessary for waging an anti-guerrilla war. Whereas in fiscal 1980 US economic and military aid to El Salvador amounted to 65 million dollars, in 1981 this figure stood at 139.5 million, in 1982—268.2 million, in 1983—329.1 million, and in 1984—260.3 million.

The Green Berets and military advisors sent by the Pentagon into El Salvador assisted local military authorities in learning to fly heavy helicopters and fight with American weapons, controlled the activities of special services and other repressive organisations, worked out plans for military operations against guerrilla forces and directed their implementation. To increase support for rightist elements in El Salvador from neighbouring Honduras and Guatemala, the reactionary regimes of these countries also received more American aid (specifically, aid to Honduras increased from 47.5 million dollars in 1981 to 126.6 million dollars in 1984).

To justify its interventionist policy in the eyes of the American public and the world, Washington falsely accused the USSR of taking part in events in El Salvador, claiming that Soviet, Cuban and Vietnamese weapons were being supplied to the guerrillas and that Cuban advisors were stationed in the country. But these propaganda ploys were not successful, especially government "white paper" about El Salvador. Even in the United States, not to mention Western Europe, few gave this any credence. Such influential American newspapers as the *Wall Street Journal* and *Washington Post* concluded that "the white paper on El Salvador is faulty".<sup>13</sup>

Despite all its efforts, the Reagan Administration was unable to convince its NATO allies and the larger Latin American countries to join in its crusade against communism in Central America. In general, the countries of Western Europe and Latin America tried to dissociate themselves from Reagan's policy in El Salvador.

France and Mexico, for example, took constructive positions. A joint French-Mexican declaration issued in August 1981 wherein the two governments recognised the Farabundo Martí Peoples' Liberation Front and the Revolutionary Democratic Front as representative political forces in El Salvador was

a blow to Washington's policy. Among the first countries to support this declaration were Cuba, Nicaragua and Panama.

Thus, Washington failed to persuade its allies to join in the conflict in El Salvador. As a result, the United States was forced to carry the burden of its interventionist policy alone. This was a serious defeat for the Reagan Administration, the more so since the White House had hoped that joint action in El Salvador would force the Latin American governments to take a harder line on Nicaragua and Cuba. The escalation of US activities only served to exacerbate tension around El Salvador and increase the fighting in the country since the local military junta stepped up its terrorist activities against those suspected of sympathising with the insurgents.

The patriotic forces in El Salvador which have taken up an armed struggle against the country's military dictatorship are willing to accept a political settlement to the conflict, as has often been stated at UN General Assembly sessions. The patriots have proposed conducting peaceful talks with the participation of government representatives from other states which would act as guarantors of the terms decided upon. These talks must decide upon a political, economic and legal system that will give different groups a say in running the country, including the officers and soldiers of the armed forces who have not committed crimes against the people. The patriotic forces believe that elections are an important means for reflecting the will of the people; however, they will only produce a positive result when despotism is ended in the country.

The patriotic forces' demand that the US cease its interventionist activities in El Salvador was met with widespread support throughout the world. Committees for solidarity with the people of El Salvador have been organised in more than 40 countries. In the United States itself worker and student organisations, social and religious groups conducted meetings and demonstrations to protest Washington's policy in Central America.

In an effort to mask the true situation in El Salvador, Washington and the country's reactionary government planned and carried out so-called general elections on March 28, 1982. According to Washington politicians, this election farce was

supposed to sanction the bloody pro-American regime, making it at least appear to be legal. But these elections, held at gunpoint, resulted in a routing of José Duarte's Christian Democratic Party by extreme rightist elements, which won a majority of seats in the country's constitutional assembly (parliament). The assembly was headed by the leader of the ultra-right coalition, retired major Roberto d'Aubuisson.

To strengthen the "new order" in El Salvador, Washington suggested an "independent" president—Alvaro Magaña, a banker and reputedly one of the richest men in the country. Though formally an independent, Magaña was fully supported by Duarte's Party, maintained widespread contacts with the army, consistently cooperated with military regimes and offered them financial support. Many years before, Magaña stated in an interview, the military suggested that he would be a good candidate for president.

In other words, the Salvadoran elections were nothing more than a sham. The compromised military-civilian government was replaced by a "constitutionally elected" president, who represented the same circles as his predecessors. The only difference between the new and old regimes was that whereas fascist elements had previously surreptitiously collaborated with the government, now, thanks to Washington's election experiment, they received official recognition as the ruling coalition.

It was therefore not surprising that such a motley group of rulers did not re-establish justice in El Salvador. On the contrary, repression increased, US military intervention became more widespread and armed conflict erupted with even greater force.

Conscious of the immense suffering of the Salvadoran people, revolutionary organisations again and again announced their willingness to search for a peaceful solution. In October 1982, the Farabundo Martí Peoples' Liberation Front and the Revolutionary Democratic Front put forth new proposals to normalise the situation in the country. They suggested initiating a direct dialogue between the revolutionary organisations on the one hand and the constitutional assembly and the armed forces, on the other.

The significance of this initiative was apparent. Peace was

urgently needed in El Salvador. Every Salvadoran concerned about the future of his country understood this. And it was for this reason that the proposal of the revolutionary organisations was positively met by the people. Local officials in the Catholic Church urged the government to agree to the talks. But the Magaña regime refused. Hypocritically claiming that the essence of democracy lay in a dialogue between representatives of diverse political trends (indeed, this is what the patriots proposed!), the regime tried to block such talks in every way possible.

Reactionary elements in El Salvador were clearly taking their lead from Washington. While claiming to welcome any efforts directed toward a peaceful solution to the conflict, the United States in fact did everything it could to prevent this and increased America's military presence in El Salvador.

In the spring of 1984 another election farce was staged. This time Duarte was successful in his bid for the presidency. The return to power of this dubious politician once again revealed the fact that reactionary elements in El Salvador and their Washington patrons had no intention of listening to the will and interests of the people.

And once again Washington increased military and economic aid to the Salvadoran regime. The Pentagon was basing its strategy on a quick victory over the rebels, but the military successes scored by the patriots dashed these expectations. Under the circumstances, the Duarte regime was forced in October 1984 to accept the proposal of the revolutionary organisations to sit down at the negotiating table. But even after talks were started government troops carried on hostilities against the guerrillas and civilian population.

Nicaragua is yet another hot spot in Central America. The Sandinista Revolution is attempting to entrench its positions under difficult circumstances. Measures have been taken to develop the economy, do away with illiteracy, solve other important social problems and defend revolutionary gains with the support of the masses. Washington, needless to say, does not like this programme.

Whereas the Carter Administration refrained from open hostilities against Nicaragua after its attempt to save the Somoza regime failed in 1979 counting on the revolutionary

government's eventual swing to the right, Reagan has sought to destabilise the country's economic and political situation. Washington froze all loans previously promised Nicaragua, unleashed a war of nerves and began to finance and encourage training attack forces of Somoza supporters on the territory of neighbouring states and the US. The American Congress ratified a treaty with Colombia that had been stalled since 1972 whereby the US recognised Colombia's sovereignty over island possessions in the Caribbean. This represented an act of hostility against Nicaragua because it, too, claimed the islands.<sup>14</sup> Washington used other methods to politically and diplomatically pressure Nicaragua. US strategists believed that this destabilisation policy would stop the revolutionary process, thus preventing the appearance of a "second Cuba". Later, circumstances could be arranged to overturn the Sandinistas.

The international movement for solidarity with the Nicaraguan people has played a large role in supporting the Sandinista National Liberation Front.

Increased US intervention in the affairs of those Central American countries unwilling to bow to Washington diktat was sharply condemned during US Security Council and General Assembly sessions held in 1982, 1983 and 1984 at which the situation in this region was discussed.

Finding themselves in a position of isolation at the UN Security Council session, US delegates turned to backstage manoeuvres in order to prevent the discussion of Central American problems in the UN. They suggested that it was "illegal" for the UN to examine the issue since it had not first been discussed by the OAS. But this clumsy attempt failed.

Washington's diplomatic intrigues were disclosed by Nicaragua's Ambassador to the UN Xavier Mora. In a letter addressed to the Security Council Chairman, Mora charged that the US was resorting to such subterfuges in order to gain time and implement its aggressive schemes. He went on to say that Nicaragua was turning to the UN because the US Government was trying to encroach on the country's right to self-determination and threaten international peace and security. The US Administration, observed the Nicaraguan representative, wished to conceal its true intentions and justify its policy of intervention and aggression by distorting the goals and character of the

people's revolution in Nicaragua. This represented a virtual repetition of what occurred prior to American intervention in Guatemala in 1954, in Cuba in 1961 and in the Dominican Republic in 1965. In each case, high-level Washington officials proclaimed that the US had no intention of carrying out aggression against any of these three Latin American countries, yet each time an armed attack was made.

The then Soviet Ambassador to the UN Oleg Troyanovsky stated that the Soviet Union well understood and, moreover, shared the Nicaraguan Government's concern about continued acts of aggression that were threatening the independence and sovereignty of countries in the region. US interventionist policies against Nicaragua, Troyanovsky continued, was but a part of America's overall policy aimed at increasing international tension and multiplying threats against independent states in different regions around the world; it was irrational and extremely dangerous to the cause of peace. The Ambassador went on to say that the Soviet Government wished to express the hope that the US Administration would in the end come to realise that relations among states could be reliably normalised and developed not through stirring up tension as a result of hasty actions taken against a number of countries, including Nicaragua, but through respect for sovereignty and the peaceful settlement of differences wherever these might occur. The Soviet delegation, concluded Troyanovsky, supported the proposal that the Security Council unequivocally take a stand for the peaceful solution of problems in Central America and against the threat or use of force.<sup>15</sup>

But the United States did not halt its aggressive actions in Central America. Moreover, it began to try to put together a military-political bloc in the region. Specifically, in January 1982, a so-called Central American Democratic Community was officially organised in San Salvador. The founding members were El Salvador, Honduras and Costa Rica, and in July of the same year, Guatemala also joined.

Political observers noted that the newly created "community" was Washington's brainchild, and that the US was trying to use it as a cover for dealing with the revolutionary and national liberation movements in Central America. It was no accident that the new organisation's programme included the



American thesis about a so-called Marxist conspiracy against the regional countries, about the threat of aggression from international communism and the necessity for "cooperating for the sake of security". Such cooperation has always implied the collective "ordering" of Latin America, i.e., US intervention under a false inter-American banner.

The aggressive policy of Washington and its proxies continues to increase tension in the region. It threatens to create new hot spots on the American continent. This was the opinion unanimously voiced at the extraordinary meeting of the Co-ordinating Bureau of the Non-aligned Countries held in Managua in January 1983. This forum drew world attention, primarily due to its representative nature. Representing 85 countries, a number of international organisations and national liberation movements, 116 delegations participated at the minister level.

Representatives from Mexico, Panama, Bolivia, Vietnam, DPRK, Syria, Iraq, and other states emphasised that the situation in Latin America had rapidly deteriorated since the Reagan Administration had come to power. It was stressed that the struggle of the Latin American countries against US intrigues was a common struggle for all the peoples seeking to defend their independence. The delegates agreed that negotiations were necessary to solve the crisis situation in Central America.

Washington was displeased with the anti-imperialist direction of the forum and even attempted to disrupt its work. The Reagan Administration unequivocally let it be understood that the US would review its relations with any country whose delegates criticised America's policy. While the meeting was being held, White House officials especially flown into Managua for the purpose, handed out copies of a "document" in which an effort was made to free America of responsibility for the crisis situation in Central America.

But Washington's schemes to torpedo the meeting in Managua were unsuccessful, as were its efforts to clear the US of responsibility for the tragic events in Central America. The peoples of Latin America and the entire world are aware of the true cause of the crisis. They continue to express their solidarity with the patriots of Nicaragua, El Salvador and other Central American countries and demand that the US Government take a constructive position that will promote peace and a

political settlement to existing problems.

The activities of the so-called Contadora group, which was formed in January 1983 and includes as members Colombia, Mexico, Panama and Venezuela, have become quite significant. In a two year period the group has held more than a dozen meetings, prepared a number of important political documents, conducted talks with all parties involved in the Central American conflict and marked out a path for a peaceful settlement to the crisis and ensuring international security. The activities of the group were supported by Nicaragua, Cuba and a majority of other Latin American countries, and drew a positive response from the rest of the world. For example, the resolution entitled "The Situation in Central America: Threats to International Peace and Security and Peace Initiatives", which was adopted at the 37th UN General Assembly session, expressed the most determined support of the efforts of the Contadora group and urged that they be continued.

But the activities of the Contadora group were seriously impeded, principally by the US Government. Though claiming to support the group's efforts in words, Washington in fact is doing everything it can to impose a military solution to the conflict in Central America, and it is using subservient dictatorships in the region to try to achieve this goal. For example, hardly had the new Guatemalan dictator Oscar Viñales seized power in August 1983 when he declared (clearly at Washington's prompting) that the Contadora group was irrelevant.

The Minister of Defence of Honduras was pursuing the same goal when he announced that his country's ruling regime was interested in starting up once again the Central American Defence Council, which had been formed in the 1950s under the aegis of the United States for the purpose of suppressing liberation movements in the region and was stalled after the "soccer war" between El Salvador and Honduras in 1969. Today Washington and its allies have renewed the activities of this reactionary council and are using it to suppress the liberation movement in El Salvador and to wage an undeclared war against Nicaragua.

US attempts to turn Honduras into a bridgehead for aggressive actions against neighbouring countries are in sharp

contrast to the peaceful efforts of the Contadora group. In August 1983, the largest-scale and most prolonged (more than half a year) in the history of Central America joint military exercise (code named Big Pine-II) was organised on Honduran territory. Approximately 6 thousand American and 10 thousand Honduran servicemen participated. Hardly had Big Pine-II manoeuvres ended when in April 1984 new military games were conducted in Honduras a mere 10 kilometres from the Nicaraguan border.

To counteract the peaceful initiatives and constructive position of the Contadora group, President Reagan created the National Bipartisan Commission on Central America headed by former Secretary of State Henry Kissinger. In January 1984, the White House approved the Commission's report which stated that the Sandinista regime threatened the region's stability and recommended increased military aid to pro-American regimes.

At the same time, counterrevolutionary forces in Nicaragua, which were receiving more aid from the US, stepped up their activities. For example, these forces mined approaches to Nicaraguan ports, as a result of which in spring 1984 a number of ships from different states, including the Soviet Union, were damaged. This terrorist action was unanimously condemned by the International Court in the Hague.

Ignoring world public opinion and violating international legal norms and principles, Washington placed Nicaragua in a veritable state of siege—political, economic and military. Nicaragua's Minister of Foreign Affairs Miguel d'Escoto declared, "The US Government is training, equipping and directing bandit troops attacking Nicaragua. As a result of their actions, more than 1,300 people have already been killed, and the country's economy has suffered millions of dollars in damages."<sup>16</sup>

All these facts clearly indicate that it is Washington who is to blame for the worsening situation in Central America and must bear the responsibility for the continuing bloodshed.

A CIA-prepared document published in the American press in October 1984 confirmed this. The document contained instructions on how the Nicaraguan contras should conduct terrorist and subversive activities against Nicaragua:

tear out electrical wiring;  
pour dirt into gasoline tanks;  
strew nails across roads;  
store away food supplies and steal them from the  
authorities.

This odious document reveals the fact that sabotage and lies are the only means by which the Nicaraguan people could be separated from their government.

The Soviet Union has consistently defended the just cause of the Nicaraguan people. This position was reaffirmed at the June 1984 meeting between the late General Secretary of the Communist Party of the Soviet Union Constantin Chernenko and Daniel Ortega, the leader of Nicaragua.

After discussing the situation in Central America, both sides stated that "the course taken by the American Administration to escalate tension, increase the number of weapons and use military force to impose its will on other peoples represented a serious threat to all mankind".<sup>17</sup>

On November 4, 1984, general elections were held in Nicaragua. The Sandinistas won a decisive victory, thus indicating the strong determination of the Nicaraguan people to defend the gains of the revolution.

## **6. The Pentagon Sets Its Sights on the Caribbean**

Recently Washington has turned its attention to yet another region—the Caribbean, claiming that this, too, represents a sphere of America's vital interests.

Increasing US activity in this region has a long tradition. Even at the time of the Monroe Doctrine, this part of the world was viewed by Washington as a "natural" sphere for American domination and expansion. And it was this doctrine that was used to justify numerous instances of armed intervention against the Caribbean countries.

The situation today is distinguished by the fact that deep and diverse socio-economic processes are occurring in the regional countries. This is why the Reagan Administration increasingly prefers to view the Caribbean situation through

the prism of the Monroe Doctrine, to measure the ongoing events there from expansionist experience and arbitrarily proclaim that certain socio-political changes "threaten" the national interests of the US.

Interpreting the Monroe Doctrine in all possible ways, the Reagan Administration is trying to portray the liberation movement in the Caribbean countries as the result of an "international communist plot". The US State Department claimed that the Salvadoran insurgency had become "the object of a large-scale commitment by Communist states outside Latin America".<sup>18-19</sup> This led to the "logical" conclusion that it was necessary to take decisive steps to halt "outside" or, to be more precise, "communist" intervention in states of the western hemisphere. Even during the election campaign of 1980 Ronald Reagan's foreign affairs advisors described the Caribbean region as a crisis area where decisive American action was needed to restore the dominance of the US.

The *Wall Street Journal* reported that with the coming to power of the Reagan Administration, the Caribbean Basin was indiscriminately militarised even further. For example, in August 1981 US Marines and paratroop forces conducted a provocation landing exercise at Guantanamo Base in Cuba. This exercise was part of large-scale military manoeuvres conducted by the US and its allies and code named Ocean Venture-81. During the manoeuvres NATO naval force contingents together with naval units from several Latin American countries practised military actions in the southern and northern waters of the Atlantic Ocean and Caribbean. Taking part in the manoeuvres were 250 warships, more than 1,000 aircraft of different types and more than 120 thousand servicemen. The US Air Force also conducted large-scale manoeuvres in the Caribbean in autumn and winter 1981. In March 1982, NATO naval exercises (code named Safe Pass-82) were held for the first time in the Gulf of Mexico. Approximately 10 thousand servicemen, 30 warships and 80 planes participated. This revealed once again Washington's increased aggressiveness and its efforts to induce other imperialist states, chiefly NATO member-countries, to help implement its policy in the Caribbean Basin.

In April-May 1982 Ocean Venture-82 manoeuvres were held in the Caribbean and the Gulf of Mexico. Politically

speaking, this was a routine demonstration of force designed to intimidate the peoples living in the Caribbean Basin. Rear-Admiral Robert McKenzie, commander of the exercise, frankly admitted that the manoeuvres were meant to be a "warning" to Cuba in answer to that country's independent policy and moral support of revolutionary, anti-imperialist movements in Latin America.

The provocative nature of the manoeuvres was clear: the programme called for rehearsing action to blockade Cuba and Nicaragua. Attack forces received the greatest attention: on May 3 US Marines landed at Guantanamo; on May 5 a combined sea and air landing operation was carried out on Vieques, a Puerto Rican island; on May 7 more than 2 thousand additional Marines landed there. Naval assault forces—two multi-purpose aircraft carrier groups led by *Forrestal* and *Independence* (the aircraft carriers) — demonstrated not only the increased capability of the US to control international sea lines of communications in the Gulf of Mexico and Caribbean Sea but also its ability to maintain naval and air support of marine landings and hold seized territories. Puerto Rican territory was used to rehearse invasion operations by the US and its allies against Latin American countries with the use of the strategic B-52 bombers and AWACS planes. This was nothing less than a dress rehearsal for the Grenada invasion in October 1983.

There were several aims the US was seeking to achieve by stirring up military psychosis in the Caribbean. First, to intimidate both Cuba and other Caribbean countries by overt armed blackmail. Second, to force the peoples of those countries which had chosen an independent line of development to take additional measures to ensure their security, thus inevitably compelling them to divert considerable funds from peaceful construction. Third, increased tension and an accelerated arms race were necessary if the Pentagon was to justify the building of new American military bases in the Caribbean and organise military-political blocs in the region.

Washington encouraged the militarisation of the Caribbean countries themselves by offering them military aid which involved buying American weapons, the training, reorganisation

and strengthening of local armies and security forces—the primary goal of which was to fight “subversion” and “international terrorism”, i.e., internal revolutionary-democratic movements. At the same time, the US, working together with Great Britain, took steps to form a military-political bloc in the Caribbean. It was decided to include the English-speaking states—members of the Caribbean Community (CARICOM) regional economic organisation.

Using this military-political bloc as a front, Washington and London wanted to “legalise” the presence of American and British armed forces in the region. The real reason behind the formation of yet another such mini-bloc was perfectly clear. Latin American political observers noted that in this way Washington and London were hoping to create a handy instrument to exert pressure on the Caribbean countries and increase the direct control of the US and Great Britain over their domestic and foreign policies. The Western press did not conceal the fact that the new bloc would be spearheaded primarily against Cuba and Grenada.

The peoples of many Caribbean countries were alarmed at this intent to intervene in the affairs of sovereign states and export counter-revolution while hiding behind the façade of a military-political grouping. The formation of such a bloc would have led to the increased military activities of imperialist powers in the region including regular joint manoeuvres by CARICOM armed forces with the participation of the US, Great Britain and Canada. A prototype for the bloc (called the Regional System of Security and Defence) was formed in 1982 and included Antigua and Barbuda, Dominica, St. Vincent, the Grenadines, Barbados and St. Lucia. The US and Great Britain provided the grouping with direct assistance, offering the members 40 million dollars for “defence purposes”. Thus the Pentagon received an additional opportunity to expand its military presence in the Caribbean and continue its campaign against peace-loving peoples.

In its effort to prevent revolutionary changes from being effected in those countries located close to the US, American imperialism began to employ more actively methods of economic colonialism: encouraging TNC expansion, extending and internationalising financial assistance programmes, etc., the goal of

which was to consolidate capitalist production relations. Such neocolonial programmes are implemented under the slogan of "joint development" and, as a result, overcoming the "communist influence". In its draft budget for fiscal 1982 the US Government requested 478 million dollars from Congress for "assistance" to the Latin American countries. Of this amount, 323 million dollars was earmarked for the Caribbean countries, in other words, more than 65 per cent of the overall sum.<sup>20</sup> The economic aspect of the programme was essentially this: primarily the US, but also Canada, Mexico and Venezuela would collect one billion dollars in funds in order to finance the economic development of the Caribbean states along capitalist lines. This "Marshall mini-plan" envisaged offering considerable assistance to private business and, at the same time, was designed to promote TNC expansion and transform some Caribbean countries into industrial appendages of imperialist centres and others, into food and raw material suppliers. In a wider sense, the plan was designed to generally strengthen the capitalist order in the regional states and prevent them from trying to widen their economic ties abroad or escape from the isolation artificially imposed on them after hundreds of years of colonial rule. And, as the American press reported, this economic strategy would have consequences beyond the Caribbean Basin. It was destined to become a working model of a global approach which would demonstrate to the countries of Asia, Africa, and Latin America that their hopes for development would be best fulfilled if they cooperated with the West and not the Soviet Union.

Politically speaking, the Marshall mini-plan was directed at strengthening the position of pro-Western (including military dictatorships) regimes and, at the same time, exerting pressure on progressive governments, trying in every possible way to weaken them, stirring up domestic troubles in those countries trying to effect deep socio-economic changes. Guided by this approach, Washington offered considerable economic, political and military support to the pro-American regimes of Edward Siaga (Jamaica) and at the same time stepped up its anti-Cuba campaign and attacks against Grenada. The US did everything possible to deprive Grenada of international economic assistance and thus contributed to the deterioration



of the economic situation in the country. Washington's actions clearly revealed the desire to disunite the Caribbean states, isolate the progressive regimes and hinder inter-state cooperation in the region. In this way Washington was trying to revive in modern conditions the former "divide and rule" principle of the colonialists.

The Latin American public understood the true objectives behind the Marshall mini-plan. As the Venezuelan newspaper *Tribuna Popular* reported, "Intervention is the object of this plan, which but serves as a screen to hide the aggression".<sup>21</sup>

Continuing to push for the implementation of this plan, Reagan proposed the so-called Caribbean Basin Initiative while speaking at OAS headquarters on February 24, 1982. It was in this speech that Reagan promised to allocate an additional 350 million dollars for fiscal 1982 in military and economic assistance to the Caribbean and Central American countries, and also to revoke tariffs on goods exported to the United States (with the exception of textiles and clothing).

At first glance the Caribbean Basin Initiative really did seem to be a considerable deviation from the Reagan Administration's usual course in the sphere of international trade and economic relations, making concessions to the countries of the Caribbean Basin. But, in fact, things worked out quite differently.

First of all, as Reagan frankly announced, the promised assistance was primarily designated, without consulting the recipient countries, for the private sector of the economy, i.e., here as well Washington adhered to its policy of strengthening private capital and encouraging local businesses (TNC partners). Second, the proposed aid was far too little to pull the Caribbean states up to a level of "self-sustaining development". Economists estimated that a minimum of 10-15 billion dollars of foreign aid would be needed to achieve this. Third, the promised lifting of import tariffs was little more than rhetoric inasmuch as 80 per cent of the region's exports already entered the US duty-free. And the exclusion of textiles and clothing irritated local businessmen since it was these branches that were playing an increasing role in the economic development of the Caribbean states. Finally and most

importantly, the aid programme was clearly political in nature: it was designed for the "friends and future friends of the US" and excluded countries conducting an independent policy.

Through economic and other incentives offered the governments of pro-American regimes, Washington was trying to create new strategic points of influence in the Caribbean. For example, Washington officials chose Jamaica as one such point. This was the country where, with the help of economic pressure and political terrorism, imperialism was successful in overturning the independent government of Michael Manley in 1980. Afterwards, a large amount of TNC capital flowed into the country as well as international loans, which Jamaica sorely needed but which had been refused to the former government.

That the Reagan Administration considered this proposed policy of some importance can be seen by the fact that the US President travelled to Jamaica and Barbados in April 1982 to conduct talks with the leaders of other countries with a pro-American orientation. The object of the visit was to demonstrate the viability of the Caribbean Basin Initiative. In exchange for the commitment made by the leaders of these countries to adhere to the principles of free enterprise and "open door" policy for the transnationals, and to cooperate with the US militarily, Reagan promised to allocate more funds in military and economic assistance programmes. In an effort to intimidate the countries with alleged threats from Cuba, Grenada and other states which were supposedly trying to infect the Caribbean with the "Marxist virus", the US President demanded that communism not be allowed to spread any further in the region. In other words, Reagan's trip was made for the purpose of exerting direct pressure on the Caribbean countries.

Taking advantage of the desire of imperialist circles in western Europe and also a certain section of the ruling classes in Latin America to keep the Caribbean countries in a state of backwardness and easy prey to exploitation by world capitalism, the US had tried to induce its NATO and OAS allies to help fulfil its plans for the Caribbean Basin. Their interest was demonstrated not only by military manoeuvres held by NATO and OAS member-states in the Caribbean Sea

(designed to intimidate progressive regimes in the region) but also by the participation of dozens of capitalist countries and their international organisations in various types of multilateral "development programmes" in the Caribbean.

However, official circles in Washington, on the one hand, and those in western Europe and Latin America, on the other, are deeply divided in their approach to carrying out a joint policy. Though many European and Latin American countries in principle have nothing against cooperating with Washington in its economic programmes, many, for various reasons—different economic and political goals than those pursued by the US, reluctance to trigger radical revolutionary processes, fear of establishing a harmful precedent, etc.—have condemned and repudiated the more aggressive forms of American policy, for example, direct intervention in the affairs of the Caribbean states. Of the countries in the western hemisphere, only the reactionary regimes of Chile, Paraguay and a few other states support the US in this policy.

The US has been particularly displeased by the fact that even those countries which, according to White House expectations, should be actively cooperating with its new Caribbean policy, have spoken out against Washington's actions. Specifically, this applies to Canada, Mexico and Venezuela, which refused to support Washington's discriminatory proposal to exclude Cuba, Nicaragua and Grenada from the Marshall mini-plan for political reasons. When the ministers of foreign affairs of these countries met with the US Secretary of State they pointed out that economic cooperation should be offered to all the regional countries without exception and without any political strings attached. Mexico opposed the "military aspect" of the aid and also its use as a weapon in the battle against communism. Meeting with strong resistance on the part of the United States concerning this matter, Mexico, followed by Canada and Venezuela, in effect refused to join Washington's "Caribbean initiative".

Washington's aggressive intentions in the Caribbean were clearly revealed in the Simms Amendment—a resolution passed by the US Senate in August 1981 and affixed to the draft bill for additional funds for the current fiscal year. Proposed by the Republican Senator from Idaho, S. Simms, the amend-

ment was approved by a vote of 68 to 28.

The Simms Amendment is an arrogant and cynical document which, under the pretext of a Cuban threat, in effect grants the American President the right to initiate military action against Cuba at any time. Even some Washington politicians who could by no means be described as Cuba's friends admitted the provocational character of the resolution. For example, during the debate on the topic, Senator Charles Percy, Chairman of the Senate Foreign Relations Committee, criticised the resolution and stated that it could be compared to the Tonkin Bay Resolution passed in the mid-sixties and used by President Johnson to step up US aggression against the people of Vietnam. And, the Senator added, the Simms Amendment could be used by the Reagan Administration as justification for sending American troops to Cuba and other Caribbean countries without first seeking congressional approval (as a law passed in 1973 limiting the power of the president to conduct wars on foreign territories required).

Representatives from the Latin American countries, including Mexico, Nicaragua and Venezuela, political figures holding most diverse political views, and a large segment of the Latin American public, spoke out against the Simms Amendment. It is not difficult to understand the Latin American peoples' concern about the amendment and Washington's efforts to legalise its interventionist policy with respect to its southern neighbours. A typical comment was that made by the President of Venezuela, who stated that the use of armed aggression against Latin America must be a closed chapter in the sad history of intervention against the region. Venezuela, he continued, supported turning the Caribbean Basin into a zone of peace.

The Simms Amendment was analysed in an editorial published in the Cuban newspaper *Granma*: "Based on the iniquitous Monroe Doctrine of 1823 and adopted a mere three months after the Yankees demonstrated strong support for British colonialism in the war over the Malvinas, the Simms Amendment indicates an additional measure of aggression in the government's activities, already characterised by pathological intolerance and arrogance and directed against political settlement of conflicts. This resolution dangerously encourages the use of force, which the present administration adheres to, and

leaves open the doors for interventionist activities in Central America and the Caribbean Basin." And further: "Peopld in Washington, with their extremely short-sighted, sick minds, believe that nothing has changed ... just as before they think of our countries only as colonies of the United States and stubbornly use slander and lies as propaganda weapons in an effort to conceal what is known to all: the real source of all liberation processes ... is not in Havana. It resides in those areas of socio-economic and political conditions unworthy of man—unemployment, poverty, inequality, injustice, unequal distribution of land. They do not wish to understand that the peoples' revolutionary struggle is their answer to the bloody repression by regimes supported by the United States".<sup>22</sup>

It should be noted that the Simms Amendment was adopted at a time of new militarist preparations. In case of "contingencies" the military base in Key West, located some 150 kilometres from Cuba, began to function once again. The anti-Cuban rabble that had collected in the US was stirred up for action. According to the Senate resolution, it would be used by the Pentagon to achieve "self-determination for the Cuban people", in other words, in an effort to export counter-revolution to Cuba.

In adopting the Simms Amendment, the Washington Administration testified to its own aggressive nature and inability to conduct a constructive policy. Unleashing its anti-Cuban campaign was a step along the path to introducing a cold war in the Caribbean and served to cover Washington's own aggressive actions in this region and in Latin America as a whole. The intervention against Grenada in October 1983 fully confirmed this.

## **7. The Grenada Tragedy**

At dawn on October 25, 1983, the US proceeded to mount an armed attack against Grenada.<sup>23</sup> At 5:00 a.m. local time, US Air Force helicopters landed in the vicinity of Pearls Airport. Approximately 500 American troops overtook the virtually unguarded airport.

At 5:30 a.m., nearly one thousand US paratroopers were airdropped not far from the country's capital of St. George's

in an area where construction was underway of the new international airport. Then transport planes carrying troops began to land, and at 7:30, north of the capital on the island's coast, US Marines came ashore. A half-hour later, the Americans attacked the camp of Cuban construction workers. Simultaneously, Grenada's coast was shelled from US warships.

It was later discovered that besides the 1,900 US Marines, 120 soldiers from Jamaica, 50 from Barbados and another 130 servicemen and police from Antigua, Dominica, St. Vincent and the Grenadines and St. Lucia participated in the operation. The US used military units from other Caribbean countries as a cover for its own interventionist action.

After landing in Grenada, American troops declared a 50 mile military zone around the island. Any aircraft appearing in this area would be considered an enemy plane by the "multinational force".

The Revolutionary Government of Cuba stated in an emergency announcement on October 25 that American Marines had surrounded the camp of Cuban construction workers, who had put up a heroic resistance.

The American military had expected to crush all resistance and establish absolute control over the island within a few hours. But despite their enormous superiority in strength, the invaders had difficulty in overcoming the resistance of Grenada's defenders.

Increasing the scale of aggression against Grenada, the US concentrated a powerful naval group headed by the *Independence* aircraft-carrier with 70 planes on board. Eleven US warships held Grenada in a vice. Washington carefully concealed the number of casualties, calling them minimal, in an effort to prevent the world from knowing the true scale of resistance offered by the people of Grenada. Nevertheless, the Pentagon was obliged to acknowledge that the blitzkrieg planned for capturing this tiny island was a failure. More than two thousand additional marines and 800 troops from the 82nd airborne division of the US Rapid Deployment Force had to be sent to Grenada.

It was only with the help of heavy fire support from warships, planes and helicopters that the invaders were able to force the patriots from St. George's and also seize several

positions in other areas. The Grenada defenders retreated deep into the island and retrenched forces in the mountains, where training camps for the people's militia were located. This considerably complicated the invaders' task to crush resistance in a minimum of time. In the southern part of the island new skirmishes arose causing the commander of the American interventionist force to admit that he did not know how long the fighting would continue. US aircraft bombed and fired missiles at heavily populated areas of the island. Many civilians, including women and children, were killed. Bombs and artillery fire hit houses and schools, hospitals and hotels. One large-scale attack destroyed a hospital and killed 47 patients.

In an effort to crush the resistance of the Grenada patriots as quickly as possible, more and more fighting units were brought into action; they did not spare the ammunition and stopped at nothing. In the beginning of November the number of occupying troops rose according to official American data to 5,980 men and officers. It was only at this time that Secretary of Defence Caspar Weinberger was able to inform President Reagan that military action had ceased in Grenada. But sporadic resistance continued even after this official notification.

Washington's armed aggression against Grenada was widely condemned. The governments and legislative bodies of many countries, political parties and trade union organisations, men and women of science and the arts, millions and millions of people the world over spoke out in protest against the attack on Grenada. The Latin American countries were particularly vehement in their condemnation of US aggression. And this is understandable since it was in this region that Washington had opened the doors for its interventionist policy the widest. Right from the start Latin America was caught up in a wave of protest against this act of US aggression.

The Bolivian Government strongly censured the attack against Grenada. In an official statement, the Minister of Foreign Affairs of this country demanded that invading troops be immediately withdrawn from the island. Bolivia's Congressional Chamber of Deputies adopted a special resolution condemning Washington's criminal actions.

Argentina's Minister of Foreign Affairs, Juan Aguirre

Lanari, stated that US intervention in Grenada was a gross violation of international law. And Argentina's representative to the OAS Permanent Council strongly criticised the US aggression, stating that there was no justification for the intervention.

The Mexican Government condemned the violation of a basic international principle—peaceful coexistence—and stated that only the people of Grenada had the right to determine their form of government without any foreign intervention. The Senate and Chamber of Deputies of the Mexican Parliament demanded an immediate withdrawal of foreign troops from Grenada.

Colombia issued an official statement declaring that it considered the armed occupation of Grenada illegal and that the army units of the US and other countries should immediately withdraw from the island.

Guyana's National Assembly unanimously adopted a decision demanding that Washington immediately withdraw its troops from Grenada territory. Many Guyanan parliamentarians emphasised that Washington's imperial actions posed a threat to all progressive forces in Latin America and the Caribbean.

Venezuela's Congress demanded an immediate halt to interventionist action against Grenada. The document adopted by the Congress stated that this armed aggression was a threat to peace and security throughout the entire Caribbean.

Fernando Terry, President of Peru, also condemned US aggression, stating that his country was strongly against any type of interference in the internal affairs of other states, not to mention armed aggression, and supported the people's right to self-determination.

Ruling circles in Brazil described American intervention as a serious threat to peace and observed that this action would lead to a sharp increase in tension on the continent. An official statement read: "The Brazilian Government cannot help but condemn the use of armed force, which violates the sacred principle of non-interference contained in both the U.N. and OAS charters." The Dominican Republic, a country which was itself the victim of imperialist aggression in 1965, expressed its "deep concern" over the events in Grenada and "unswerving respect for the principles of non-interference, sovereignty and self-determination".



The facts show that the US attack against Grenada was by no means an isolated incident, but rather yet another link in the long chain of crimes committed by American imperialism. Taking upon itself the role of world policeman and authorising a terrorist attack against Grenada, Washington demonstrated that it was the enemy of freedom-loving peoples.

Intervention against Grenada was an act of aggression against all the countries in the Caribbean Basin and Latin America. What happened on this tiny island was perfectly clear: America's state policy had now come to include international terrorism and violence.

It would appear that Washington acted according to the logic that any regime which did not meet American standards would not only be an object of secret subversive activities but could be subjected to open acts of aggression by US armed forces under various pretexts: "restoration of law, order and democratic institutions", "protecting" American citizens or guarding the "vital interests" of the United States.

The attack against Grenada clearly revealed just what all the talk by American government officials about "human rights", "freedom of peoples" and "dedication to democracy" was really worth. The bloody crimes committed against this small country showed the entire world that the US Administration was the chief organiser of international terrorism. In giving the command for American Marines to land on the shores of Grenada, President Reagan refuted his own statements about law and morality and showed that the actions of his administration and US foreign policy could be equated with international terrorism. It is also important to note the following. In planning and carrying out the attack against Grenada, Reagan was clearly counting on passing off a military victory over this tiny country as a significant foreign policy coup, i.e., to use this armed aggression for his own political aims on the eve of the presidential election campaign.

By the attack against Grenada, Washington more or less openly declared a "crusade" against developing countries. At the end of October 1983, speaking at Westminster College in the city of Fulton—the same city where 37 years before Winston Churchill signalled the beginning of the cold war—CIA Director William Casey implied that from this time on the US

must intervene in any developing country where revolutionary changes threatened American interests. In other words, the criminal action against Grenada had become a model of gunboat diplomacy.<sup>24</sup> The *Washington Post* observed that the CIA director's speech revealed that the US President seemed to be prepared to send the Marines to topple any government that was getting on his nerves.

US armed intervention against Grenada opened once again the unhealed wounds inflicted upon the Latin American and Caribbean countries by Washington's aggressive policy in this region of the world since the middle of the 19th century. And this is why there was such a sweeping solidarity campaign with the people of Grenada in Latin American countries.

\* \* \*

The Washington Administration views the Latin American region through a prism of anti-Sovietism and hegemonism, attempts to present it as an arena of confrontation between socialism and the "free world". In reality, it is the confrontation between the forces of national and social liberation, on the one hand, and the forces of internal reaction and the imperialist circles supporting them, on the other, that is heating up. The aggressive course followed by the US in Central America, which continues to alarm the Latin American peoples to an increasing degree, offers clear confirmation of this.

The construction of a network of US military bases on the territory of Honduras, for example, shows that the Pentagon has serious plans to maintain a presence here for quite some time and to provide itself with a bridgehead for possible military intervention in the affairs of any Central American state. Washington is searching for pretexts in order to achieve a firmer foothold in the region, extend its military presence and keep the peoples of Central America at gunpoint. US military preparations in the Caribbean Basin and Great Britain's construction of military bases on the Malvinas Islands appear especially ominous in this light. It is clear that the Pentagon is trying to seize Latin America in its iron grip.

The election platform prepared in August 1984 by the "Reagan team" and approved by the Republican Party Convention in Dallas gave new cause for alarm. It glorified the policy of

confrontation and militarism in international affairs and encouraged a hard-line approach toward Latin America. The attack against Grenada was lauded as an example to the world that democracy can defeat communism, a fact said to be of monumental importance. A direct threat was applied to "Marxist Nicaragua", guerrillas in El Salvador and socialist Cuba. The Republican platform convincingly revealed that Reagan was prepared to push his adventurist policy, both in Latin America and the world at large, even further. The flames of war would continue to be fanned in Central America.

The Caribbean Basin and the South Atlantic region are two places where modern circumstances have given rise to increasingly evident contradictions separating the US from its southern neighbours. And this does not end the list of "sensitive spots" in inter-American relations. The Mexican newspaper *El Día* reported on August 26, 1983, that the actions of the Reagan Administration had "led to a noticeable deterioration in inter-American relations and the clear isolation of US policy in Latin America".

In an effort to strengthen ties with the "Big Three" (Brazil, Mexico, Argentina) and the "second echelon" countries (Venezuela, Colombia, Peru, Ecuador), the Reagan Administration has tried to avoid resorting to methods of force. Trying to convince these Latin American countries to submit to its "principles", Washington takes advantage of its neighbours' vulnerability and weaknesses: deep economic dependence on the transnationals, the American market and foreign loans, the absence of Latin American solidarity in international matters, the countries' willingness to compromise with imperialism and the anti-communist attitudes shared by many of the region's bourgeois leaders.

However, this practice of "building bridges" has not been particularly successful, for old contradictions remain and new ones are being formed in the spheres of economic and political relations, resulting from Washington's attempts to impose "Reaganomics" on its southern neighbours, who continue to support the establishment of a New International Economic Order.

One of the chief contradictions is the foreign debt of the Latin American countries, which has reached staggering proportions (336 billion dollars by the end of 1983). Interest

and clearing-off payments already exceed their potentials.<sup>25</sup> The developing world's five leading debtors include Brazil, Mexico, Argentina and Venezuela. These countries and many others in the region have been constantly on the brink of financial bankruptcy in recent years. As the largest creditor in the capitalist world, the US, as well as other imperialist states, is worried that the large debtor-nations might declare bankruptcy and thus set off a chain reaction that would shake the very foundations of capitalism's financial system. Therefore, the question of extending payments and reviewing conditions for paying off debts became a critical political issue in relations between the US and Latin America.

The Reagan Administration wanted to come to terms with the debt payments of each individual country. This would have given it a free hand and the opportunity to impose its will depending on the behaviour of the particular debtor-nation. Most of the Latin American countries believed that an agreement could be reached between the US and all the region's states acting together; this would enable them to better withstand pressure from the US. Their position was laid down in the Declaration of Quito, adopted by high-level representatives of the countries at the Latin American economic conference held in the capital of Ecuador in January 1984. The participants in the conference issued their creditors and international financial organisations a serious warning in the Declaration, stating that the latter shared an obligation to solve the problem of the foreign debt of the developing countries, something that would be possible if regulating conditions would be "flexible, realistic and compatible with economic renewal".<sup>26</sup> This issue continues to be hotly debated today.

Another major area of conflict between the US and its southern neighbours is the Reagan Administration's obstruction of the passage of the Convention on the Law of the Sea. The Latin American countries were among the initiators of drafting such a convention, although not all have signed it yet. If the US Government and American monopolies are given free rein to exploit the World Ocean, and this is what they seek, the interests of Latin American states and other countries as well will be affected. The Reagan Administration has been unable to significantly improve relations with most of the Latin Ame-

rican countries. Moreover, in a number of cases, the foreign policy outlook of the region's countries has strayed even further from that of Washington. This was made evident at an OAS General Assembly meeting in November 1983. Such occurrences on the continent of South America as the victory of democratic forces in Bolivia and the deteriorating position of authoritarian regimes indicate that the Reagan Administration is helpless to control the course of events in its "backyard". The peoples of Latin America will not submit to imperialist diktat.

1. See: *Documents and Resolutions. The 26th Congress of the Communist Party of the Soviet Union*, Novosti Press Agency Publishing House, Moscow, 1901, p. 27.
  2. *A New Inter-American Policy for the Eighties*, Washington, 1980.
  3. *World Marxist Review*, No. 7, July 1901, p. 13.
  4. *A New Inter-American Policy for the Eighties*, p. 5.
  5. *Ibid.*, p. 46
  6. *Ibid.*, p. 15
  7. *Ibid.*, p. 33
  8. *Ibid.*, pp. 52, 53.
  9. *The Economist*, Vol. 290, March 3, 1904, p. 23.
  10. *The Times*, May 31, 1982, p. 4.
  11. U.N. Doc. S/PV 2371, June 2, 1982, p. 47.
  12. *The New York Times*, July 12, 1981.
  13. *Wall Street Journal*, 9 June, 1981; *The Washington Post*, June 9, 1981.
  14. *Cranma*, June 18, 1981.
  15. See: *Pravda*, April 2, 1982.
  16. *Barricada*, April 1, 1984.
  17. *Pravda*, June 19, 1984.
  - 18-19. *The Department of State Bulletin*, March 1981, p. 7.
  20. *The Department of State Bulletin*, May 1981, pp. 69-71.
  21. *Tribuna Popular*, March 12-18, 1982.
  22. *Granma*, August 27, 1982.
  23. Grenada—a small (344 sq.km.) island state in the Caribbean with a population of 120,000. A former British colony, the island achieved independence in 1974. In March 1979, Maurice Bishop, head of the revolutionary-democratic forces, came to power. The new government began working for progressive socio-economic and political changes in the country and supporting the cause of peace in the international arena. This was what irritated official circles in Washington.
- For more than two years the Reagan Administration searched for a pretext to attack Grenada. In October 1983, the situation presented itself: a splintering in the Grenada leadership led to tragic events and the eventual murder of Maurice Bishop.
24. *Washington Post*, October 30, 1983.
  25. *Financial Times*, March 26, 1984.
  26. *Granma*, January 14, 1984.

## *Chapter Five.*

### **Bilateral Relations : Problems and Trends**

Washington's Latin American policy in the 1970s was characterised by the development of bilateral relations and a more differentiated approach to the regional states. In this the Democratic Administration continued the same line introduced in the early 1970s and subsequently implemented by the Nixon and Ford administrations.

Essentially, the US did not follow a single Latin American policy in the latter half of the 1970s. Individual approaches, depending on the particular nature of a specific regime and its place in imperialism's strategic plans, were taken together to form a general policy. This was clearly evident in Washington's approach both to "representative democracies" and dictatorships.

This selective approach made it particularly important for Washington to determine "key" (with respect to US interests) Latin American countries. Jimmy Carter stated in a speech on foreign policy given at Notre Dame University in May 1977: "We will cooperate more closely with the newly influential countries in Latin America... We need their friendship and cooperation in a common effort as the structure of world power changes."<sup>1</sup>

#### **1. US-Brazil: Increasingly Complex Relations**

In the second half of the 1970s and early 1980s, relations between the two largest states in the western hemisphere—the United States and the Federal Republic of Brazil—underwent significant changes. And the nature of these changes extended

beyond the framework of bilateral American-Brazilian ties, influencing inter-American relations and—more generally—relations between the West and the developing world as a whole.

The new state of American-Brazilian relations that confronted Washington was, to a significant degree, caused by a relative weakening of Brazil's trade, economic, military and political dependence on the United States. Other Latin American countries, too, were becoming less dependent on the US, but the situation with Brazil was especially evident.

Without question the most important factor influencing the character of American-Brazilian relations was Brazil's increased economic potential. Whereas in 1950 Brazil's gross national product (in constant 1970 prices and according to actual purchasing power) was more than 6 per cent of the corresponding US indicator, in 1976, this percentage had jumped to 16. As a matter of fact, in the mid-1970s Brazil had the fifth largest gross national product indicator in the capitalist world, outstripping such developed states as Great Britain, Italy and Canada.<sup>2</sup>

Modern, Brazil is the largest producer of pig iron and steel in the developing world and a leading exporter of agricultural products. The country ranks third in the capitalist world in the construction of ships and eighth in automobile production.

As a result of diversifying its economic ties abroad, Brazil has been able to significantly reduce the role of the US in its foreign trade: from 33-35 per cent in the mid-sixties to 20 per cent in the mid-seventies<sup>3</sup>. As the country's economic dependence on the US decreased, West European (primarily West German) and Japanese monopolies began to expand their activities. Though investments made by American corporations in Brazil rapidly grew in the 1970s (from 1.9 billion dollars at the end of 1970 to 7.2 billion dollars by the beginning of 1979),<sup>4</sup> the capital investments of West German and Japanese transnationals grew even more rapidly. As was noted at US congressional hearings, in the first half of the 1970s the rate of increase of Japanese transnational investments in the Brazilian economy was more than five times that of their American competitors.<sup>5</sup> As a result the share of American monopolies in the general volume of foreign investments in

Brazil from 1969-1977 decreased from 48 per cent to 32 per cent and continues to fall. West European and Japanese competitors have closed in on American corporations in such key spheres of the Brazilian economy as chemical, electro-technical, automobile manufacturing and metallurgical. And the priority position of American monopolies in other spheres is being challenged as well. In competing with American corporations, West German and Japanese monopolies often offer their local partners more advantageous conditions and, as a result, are continuing to seize a greater share of the Brazilian market.

Among the Brazilian bourgeoisie, those circles more closely connected with West European and Japanese monopolies were coming to enjoy greater influence. As a result, ruling circles in Brazil were gradually ceasing to unquestionably "line up with Washington" and are searching for economic and political alternatives abroad. In just three years (1974-1976) the country opened 26 new embassies outside the western hemisphere and signed 240 bilateral agreements with 56 states.<sup>6</sup> Relations with socialist countries also improved: Brazil's trade with the socialist community rose from 171 million dollars in 1970 to 1,030 million dollars in 1976, i.e., by 6 times, a rate of growth that exceeded that of the country's foreign trade on the whole.<sup>7</sup>

Expanded contacts with socialist countries undermined the reactionary foreign policy line of the Brazilian Government that had been introduced in the mid-1960s (for example, the "ideological frontiers" doctrine) and made it necessary to considerably alter certain diplomatic practices.

It should be noted that the major reason why ruling circles in Brazil wished to diversify their economic and political ties abroad was due to the crisis in the Brazilian "model of development", which, though making it possible to significantly accelerate the rate of economic development, also made the country extremely dependent, both economically and financially, on international monopoly capital. For example, of Brazil's 100 largest industrial companies, 59 are TNC affiliates, which produce 50 per cent of all manufacturing output.

Brazil's decreased military dependence on the US is significant. It is clear that the breaking of the American-Brazilian military agreement in 1977 was made possible by the



development of Brazil's military industry and reflected—along with the ruling circles' displeasure with Carter's policy—the desire of local industrial and military circles to achieve some independence from the Pentagon and revise conditions for cooperating with US military-industrial monopolies.<sup>8</sup>

Ruling circles in Brazil made it possible for the country to create an extremely powerful (especially for a developing country) military industry capable of manufacturing various types of modern weapons. Today this industry includes approximately 350 enterprises employing more than 100,000 people. According to information released by Brazil's Ministry of Defence, production volume is approaching five billion dollars per year, or 3 per cent of the gross national product.<sup>9</sup> Thus the Brazilian Army is able to buy up to 80 per cent of all necessary weapons and equipment on the domestic market.<sup>10</sup>

A number of American scientists and political analysts (specifically, Zbigniew Brzezinski and Roger Fontaine) have stressed that Brazil is undergoing an intensive process of transformation into a local "centre of power", i.e., into a country possessing significant economic and military potential, growing political influence and, due to its diverse international ties, independence and freedom of action on the world scene. According to Brzezinski, thanks to its enormous natural and human resources, Brazil has a greater chance of turning into a "superpower" than, for example, Japan.<sup>11</sup>

Unlike the Republican Administrations which adopted a rather tolerant attitude toward the growing dissension and problems in relations with Brazil—trying as much as possible not to call attention to what was dividing the countries—right from the start of his administration Carter began to try to pressure the country. Whereas in 1976 the US tried to bring the Brazilian regime into its orbit of influence by signing the Memorandum of Understanding, a year later Carter was criticising Brazil, stating that he did not recognise it to be the leader of Latin America since the government in power did not respect "human rights".<sup>12</sup>

As has already been noted, the Carter Administration tried to hinder the implementation of the terms of the Brazilian-West German nuclear agreement but only succeeded in worsening US relations with Brazil. This action was sharply criticised

by Carter's political opponents.<sup>13</sup> Subsequently, Washington took steps to eliminate the conflict that arose between the two countries. But the spirit of "partnership" with Brazil was lost, and contradictions remained. On a trip to Brazil in March 1978 Carter himself was forced to admit the existence of differences in American-Brazilian relations.<sup>14</sup> *The New York Times* was more specific, stating that the visit revealed a "remarkable degree of public disagreement between guest and host".<sup>15</sup>

Many political scientists in the United States noted that the authoritarian nature of Brazil's government prevented it from being a closer partner with "western democracies" and impeded the country's further economic and political development. Many American political analysts, including the experts on the Trilateral Commission, and leaders of European social-democratic parties would like in principle to see a more "reliable" political system in Brazil, a stronger national bourgeoisie and further development along the lines of a parliamentary system. As the American political analyst E. Gaspar observed, this explains the criticism of human rights violations in Brazil, the declaration that economic development could not be used to justify the violation of democratic freedoms and why there were calls for liberalisation.<sup>16</sup>

A brief study of the American ideas and concepts concerning a more liberal Brazil, which call for the establishment of a bourgeois-democratic order, reveals that neither the White House nor the majority of American politicians have ever supported true democracy in that country. Rather, they wish to coordinate internal changes in Brazil with the global goals of the US.

Pressure from Washington was not exerted constantly or even strongly on Brazil. Already by the end of 1977 the Carter Administration demonstrated that it would be placated by the extremely modest steps taken by the Brazilian military leadership to liberalise its regime. The matter even went so far as the exchange of messages between the presidents of the two countries which expressed their "common viewpoint" on the human rights issue.

Washington adopted an even more conciliatory approach to Brazil after Figueiredo came to power in March 1979. The

new Brazilian president promised to establish "relative democracy", return the country to civilian rule in the future and implement a number of liberalising measures: ease censorship, permit some strikes, grant political amnesty. These promises pleased official circles in Washington, as can be seen by Walter Mondale's comment made in March 1979 during his visit to Brazil that the US fully supported the domestic policy of the new government and its ideological positions. The American press and official government documents began to write more often about the "improving" human rights situation in Brazil and claimed that the ongoing liberalisation process had resulted from the line the US adopted in dealing with the country.<sup>17</sup>

It is approximate to speak of the Carter Administration's support of limited or relative democracies in Latin America since Washington, on the one hand, did not like the extremism of the dictators in the region and, on the other, feared their fall with the resultant "excessive democratisation". As was being increasingly reported in American political journals, US policy with respect to Brazil and other authoritarian regimes in Latin America reflected their gradual and painless (from Washington's point of view) replacement with "moderate", i.e., bourgeois democracies.<sup>18</sup> Such a transformation would make it possible for ruling circles in these countries (and in the US) to control the development of political changes in Latin America and stifle the progress of anti-imperialist forces, communist and worker parties.

It should also be noted that despite the growing complexity in American-Brazilian relations, the US continued to press for the formation of a South Atlantic Treaty Organisation in which Brazil would play a prominent role. But the reality of international affairs has caused Brazil to proceed cautiously. It is significant to note that during the visit of an Angolan government delegation to Brazil in March 1979, Brazil's Minister of Foreign Affairs, Ramiro Saraiva Guerreiro, stated that his country would not participate in SATO.<sup>19</sup> In discussing the position of the Brazilian government in the US Congress, it was observed that Brazil did not wish to have close military and political ties with South Africa, since this would without doubt jeopardise the South American country's relations with many African states.<sup>20</sup>

These facts reveal that the model for American-Brazilian relations in the mid-1970s (preferred ally doctrine) was no longer working by the end of the decade. Now Washington needed a new type of "partnership" with Brazil that would take into account the changed political equation in the region.<sup>21</sup>

By the early 1980s it had become clear that Brazil, a country playing a leading role in the North-South dialogue and actively participating in matters concerning relations between the West and the developing world, no longer served Washington's purposes as an agent for the interests of the United States in Latin America. Already by the end of the 1970s Brazil was coming to be viewed by American political analysts not only as one of the most important and economically developed countries in the developing world, but also as a budding "great power" sharing interests both with the developing countries and the West.<sup>22</sup> As Albert Fishlow, a distinguished American expert in Latin American affairs, emphasises, under these circumstances it is increasingly clear that the goal of US policy is to cut Brazil off from the developing world and completely "attach" it to the West.<sup>23</sup>

Significantly, on Mondale's March 1979 trip to Brazil it was officially stated for the first time that Washington needed Brazil as an intermediary in relations between the United States and the developing world.

But US efforts to "attach" Brazil to the West met with serious obstacles caused by the specific nature of the country's internal development and the policy of the ruling elite, which had its own ideas about Brazil's goals and place in the world. The development of events shows that Washington's influence over Brazilian foreign policy continued to narrow. The fact that Brazil now has diverse economic and political ties abroad has made it much more difficult to induce sharp changes in the country's foreign policy for the benefit of the United States. In an interview with *Visiões*, a magazine widely read in the western hemisphere, President Figueiredo specifically stressed his country's adherence to the principles of "diplomatic pluralism", which was the basis for the further expansion of political contacts abroad, and stated his support for promoting relations with socialist and developing states.<sup>24</sup> In keeping with this line and despite pressure from Washington,

a Brazilian delegation was present as an observer at the Sixth Conference of the Heads of State or Government of Non-Aligned Countries in September 1979 in Havana.

That American-Brazilian relations had changed was evidenced by the adamant refusal of ruling circles in Brazil to succumb to pressure from Washington and participate in the trade boycott against the Soviet Union insisted upon by Carter in early 1980. Foreign Affairs Minister Guerreiro declared that "Brazil will not take part in any trade boycott against the Soviet Union and does not intend to limit the delivery of agricultural goods to the USSR." Guerreiro further stated that his country did not fear economic reprisals from the US in connection with the position it had taken and would maintain normal trade with the Soviet Union.<sup>25</sup>

American-Brazilian relations began to deteriorate in the latter 1970s and early 1980s. A new area of conflict appeared between the partners as a result of Brazil's growing economic potential and increasing role in world affairs.<sup>26</sup> This served to limit Washington's influence over its ally and forced the US to make concessions in certain areas.

Right from the start the Reagan Administration showed great concern for the state of American-Brazilian relations, as can be seen by the increased number of contacts between high level government officials from both countries.

In early 1981, special presidential envoy Vernon Walters (a retired general and former deputy CIA director) travelled to Brazil twice; in March 1981 an official Brazilian military delegation visited the Pentagon after a four-year hiatus; and in August 1981 Thomas Anders, aid to the Secretary of State on inter-American affairs, made a trip to Brazil. The Americans stressed the "informative and consultative" nature of these visits. Walters explained his trip to Brazil to representatives of the press by saying that he was merely obeying President Reagan's directive to "consult more often with our friends and allies".<sup>27</sup> It was no secret, however, that during their talks with Brazilian officials the American emissaries tried to obtain if not Brazil's active support than at least its tacit agreement with Reagan's policy in the Caribbean and other hot spots around the globe (the Mideast, South Africa, etc.).

Following up on this line of American diplomacy, Vice-President George Bush paid an official visit to Brazil in October 1981. Bush gave acting president Antônio Chaves de Mendonça a letter from Ronald Reagan officially inviting the Brazilian president to visit the US in 1982. According to *The New York Times*, the purpose of Bush's visit was to resolve differences and establish a reliable supply relationship.<sup>28</sup> During their two days of talks, Vice-President Bush and Guerreiro discussed a wide range of problems: disarmament, East-West relations, North-South dialogue, the situation in various regions of the world, bilateral relations between the US and Brazil. To set the right mood for the talks, Bush told Brazilian officials that the US had decided to renew shipments of enriched uranium to Brazil for the country's atomic reactors, even though Brazil had not signed the nuclear non-proliferation pact and did not agree to allow IAEA inspection of construction sites. Bush also announced that the US had agreed to equip two more nuclear power stations in the state of São Paulo.

But, like other American emissaries, the US vice-president was not successful in his attempt to exchange certain American concessions for Brazil's support of Reagan's aggressive course in international affairs and the Latin American region. Commenting on Bush's visit, Brazilian newspapers reported that the two countries remained far from agreement on foreign policy issues.

Brazil stood back from America's interventionist policy in El Salvador and the pressure and threats exerted against Caribbean countries, stressing instead the need to respect the principles of national sovereignty and peoples' self-determination. Brazilian officials also reacted negatively to US plans to form a South Atlantic Pact along the lines of NATO. This position was officially announced in a joint Brazilian-Argentine statement issued after a meeting between the presidents of the two countries in May 1981.<sup>29</sup> Brazil and the US took different views concerning the issues of a peaceful settlement in the Mideast, granting independence to Namibia, the intrigues of South Africa and other reactionary forces against Angola and a number of other international problems.

Government and business circles in Brazil were irritated

by the discriminatory measures taken by the Reagan Administration against Brazilian exports, and also by efforts on the part of US representatives in international financial organisations to exclude the country from the number of states enjoying favourable credit terms.

Thus, it is clear that Brazil could not be considered one of the United States' "preferred allies", a country ready to automatically support Washington's foreign policy in the Latin American region and the world at large. However, it should also be noted that Brazil's economic dependence on the transnationals continued to grow, and the long-term class interests of the ruling circles in both countries were tightly connected in the competition between the two (socialist and capitalist) world systems. Therefore Brazil did not enjoy complete autonomy in its foreign policy decisions. But as the country was continuing to develop its economic potential, extend economic and political ties abroad and pursue the plans of the ruling elite to turn it into a "great power", American-Brazilian relations changed and grew increasingly complex. They have become a factor in world politics, and Washington is having difficulty in adjusting to the new international role of the largest country in South America.

Washington's Latin American policy, particularly Reagan's Caribbean strategy, which was responsible for the invasion of Grenada, increased interference in the affairs of El Salvador, intensification of subversive activities against the Sandinista Government and increased tension around Cuba, had caused indignation both in Latin America and the entire world. Brazil was among those Latin American countries which seriously tried in one way or another to distance itself from Reagan's interventionist course, supporting instead the efforts of the Contadora Group to reach a political settlement to conflicts in the Caribbean. Brazil's Minister of Foreign Affairs, Ramiro Guerreiro, thus described his country's position: "The US should join Venezuela, Colombia and Mexico in searching for a peaceful solution to the crisis in Central America through negotiation... The Central American crisis is rooted in economic and social causes. If these factors are not taken into consideration in overcoming the crisis, tension will continue to be generated."<sup>30</sup>

Realising how important it was to win Brazil over to its side, the Reagan Administration doubled its efforts to achieve a "special relationship" with the country. According to political analyst M.D. Hayes, the idea was to reach "mutual understanding on the principal problems of the international policy".<sup>31</sup> As events later showed, Washington had a simple definition for this "mutual understanding": ensuring Brazilian support of Washington's global and regional militarist policy. The Reagan Administration hoped to achieve this goal by holding over the head of the Brazilian Government the country's requests for large loans (to deal with its burgeoning foreign debt payments) and its need for American technology for the purpose of industrial development, particularly to enhance the rapid growth of the military-industrial complex. These issues were the central topics discussed in talks between US Secretary of State George Shultz and Brazil's Minister of Foreign Affairs Ramiro Guerreiro when the latter travelled to Washington on a routine official visit in March 1983. The heads of the diplomatic departments of the two countries discussed the workings of the "harmonisation" of American-Brazilian relations—the progress and prospects for the completion of work of five joint groups created after Reagan's visit to Brazil in December 1982. In the exchange of views on international issues, Guerreiro reaffirmed Brazil's position in favour of a political settlement in Central America and its support for the efforts of the Contadora Group. However, the foreign minister made a concession to Washington when he stated that Brazil also recognised the right of each state to turn to another country for "protection against subversive activities".<sup>32</sup>

Soon after Guerreiro's trip to Washington, an American trade delegation headed by the deputy Secretary of Commerce Guy Fiske arrived in Brazil. A round of talks in April 1983 led to the signing of an American-Brazilian protocol on US participation in the financing of a number of large energy and geological exploration projects to the value of four billion dollars, one billion of which was to be spent in equipping electrical power stations under construction. It is expected to take ten years to complete the projects. At the end of April 1983 a joint American-Brazilian group was formed in Washington to discuss economic cooperation. The



work of this group was to supplement that of the American-Brazilian Commission on Political Planning that had been meeting regularly since 1976. The US Government also decided in August 1983 to renew shipments of enriched uranium to Brazil (cut off in 1978 due to the fact Brazil refused to sign the nuclear non-proliferation treaty).

Secretary of State Shultz paid a return visit to Brazil in February 1984 that was to coincide with the conclusion of the work of the five American-Brazilian groups. After Shultz, President Figueiredo and Minister Guerreiro completed their talks concerning global problems of international relations and regional conditions, the final reports of the working groups were ceremoniously signed and subsequently presented to the presidents of the two countries. These documents and recommendations revealed the intensive search for compromise that would make it possible to overcome or at least mitigate the difficulties which, according to officials, were clouding American-Brazilian relations. Speaking at the ceremony, Guerreiro stated that "it symbolises the fact that relations between the US and Brazil are going through a trying time. Complex and manifold, [the countries'] bilateral ties, reflecting sincerity and the willingness to talk, have recently evolved in their gradual development to a phase of equality and maturity".<sup>33</sup>

The discussion by the group concerned with financial and economic issues was more pointed. Its report noted that "both sides recognise the seriousness of the recent economic recession, the crisis of the foreign debt and its long-term negative effect on the developing countries", and put forward recommendations directed at increasing mutual trade and eliminating restraining protectionist barriers, decreasing interest rates, etc.

As further events revealed, Washington had no intention of fulfilling its obligations. At the signing ceremony Secretary of State Shultz was forced to admit that the two countries' positions on a number of economic issues did not coincide and that vigorous efforts were needed to iron out the differences.

The Americans met many of Brazil's requests for cooperation in the field of nuclear energy, particularly concerning the shipment of nuclear fuel for the Angra I nuclear power plant constructed by the US firm Westinghouse and radioactive

elements for scientific research reactors. This was recorded in the report of the corresponding work group, which was based on provisions from the bilateral agreement on cooperation in the nuclear field signed on July 17, 1972.<sup>34</sup> The work group on scientific-technological cooperation prepared a new agreement to be signed in this area that would replace an analogous agreement signed in 1971, while the group concerned with cooperation in space exploration reached an agreement to allow a Brazilian astronaut to ride the American space shuttle.

The most commotion was stirred by the signing of a "memorandum on mutual understanding" which had been prepared by the group dealing with military-industrial cooperation. According to Shultz, the agreement opened new spheres for joint actions. The great attention paid by the Brazilian and world press to this event in Brazil can be explained by a number of circumstances. First, the high level of delegations representing the interests of the two sides in the work groups was important. The American delegation was headed by Richard Armitage, aid to the secretary of defence, and the Brazilian delegation—by deputy chief of staff of the armed forces, Rubens Negreiros. Second, this was the first military agreement between the two countries that was signed after the Brazilian Government annulled a previously reached agreement on military cooperation in 1977. Third, it gave the US the opportunity to influence Brazil's military-industrial complex (which in the 1980s moved to fifth place among leading exporters of weapons in the capitalist world) in exchange for providing military technology.

The memorandum on mutual understanding envisaged joint programmes, which were to be mutually approved, and the organisation of an exchange of scientific-technological information and personnel in the military-industrial sphere between governmental military agencies and through the private military-industrial sector. Commenting on the memorandum, Guerreiro stated that "its spirit and letter reveal the importance of the scope of the transfer of technology in this sphere."<sup>35-37</sup>

Brazilian officials and the press expressed concern about a provision included in the memorandum which forbade the unauthorised dissemination of secret military information that was now being exchanged, which in effect, gave the US Govern-

ment the opportunity to control a significant sector of Brazil's economy and to "regulate" the country's exports if the Brazilian Government used American technology and know-how. Later, the US and Brazil were to conclude a general agreement on military information security. Under a headline reading "Military Agreement Sets Limitations", the influential capital newspaper *Jornal do Brazil* noted that the problem "deserves the most thorough analysis ... the obvious truth is that Brazil's military industry could risk becoming tied to the interests of the US."<sup>38</sup>

A few months after Shultz's visit, the Brazilian public was informed about criminal experiments conducted by the Pentagon in the Amazon basin, thus revealing what danger lurked in tying the military interests of Brazil with those of the US. In October 1984, Sonia Pereira, chairperson of the Brazilian ecological organisation "Movement for the Preservation of Life" handed Mostafa Tolba, executive director of the UN Environmental Programme a 600-page report containing documents and other evidence of the crimes committed by the Pentagon in the Amazon basin in northeastern Brazil in order to draw the attention of the world to monstrous US military experiments which had cost the lives of thousands of Brazilians.<sup>39</sup>

The official cover for these large-scale chemical weapons experiments was the construction of a hydroelectric power station on the Tocantins River near the city of Tucuruí. Participating in the project were Agramix, a Japanese firm, the Brazilian military company Capemi and one of the Pentagon's largest contractors, the American Dow Company, which during the Vietnam War supplied the US Army with napalm and the highly toxic defoliant Agent Orange. This chemical was responsible for the deaths of thousands of Vietnamese and a number of American soldiers.

Under the pretext of clearing the construction site of vegetation, two types of defoliants were used over an area of more than 2.4 thousand square kilometres. These chemicals were close in composition to dioxin, the use of which led to the disaster in Ceveso, Italy, in 1976, and the effects of the poison were similar to those observed in Vietnam.

The first hint of the tragedy appeared in 1981 in the

state of Para when local newspapers reported the occurrence of "strange deaths" among children and large losses among livestock. In an effort to conceal the traces of their crime and disrupt the investigation initiated by Brazilian environmental groups, Pentagon lackeys hastened to flood the contaminated area, which according to Elisário Bastos, director of the state of Para's institute of criminology, had looked like the site of a nuclear explosion. But the crime was uncovered. It was proved that experimentation with the two new types of highly toxic substances in the Tocantins region had resulted in the deaths of more than seven thousand civilians, the extermination of two Indian tribes and irremedial damage to 25 thousand unique species of plants and animals found only in the Amazon region.

News that the US military had been using Brazilian territory as a testing ground for chemical weapons aroused protests in Brazil, neighbouring Latin American countries, among the world's democratic community and in the UN. In an effort to shake off their responsibility, US officials claimed they had played no part in the Brazilian tragedy. A Pentagon spokesman refused to answer the questions of correspondents, stating he knew nothing about the matter.<sup>40</sup> But the Brazilian public did not wish to experience the tragedy of Vietnam or Ceveso and was not to be placated with such lame excuses.

As a result of the international crisis in the capitalist economic system (1981-1983), the Brazilian economy suffered enormously (amassing the largest foreign debt of any country in the world—105 billion in early 1985). Therefore, economic issues became even more significant in American-Brazilian relations. From 1984-1985, the Reagan Administration introduced a number of new customs barriers and import quotas which served to close or at least limit access of such Brazilian goods as steel, shoes, sugar cane, etc. to the American market. Moreover, the US raised bank interest rates more than once, which automatically increased Brazil's foreign debt.

Disputes concerning economic issues in American-Brazilian relations therefore intensified. These problems were discussed when Brazilian Vice-President Antônio Chaves de Mendonça paid an official visit to the US in March 1984, during

Henry Kissinger's trip to Brazil in September 1984 and that of David Rockefeller, Chairman of Chase Manhattan Bank, in February 1985, and, finally, when the newly-elected Brazilian President T. Neves came to the US. However, no significant progress was made since the Reagan Administration refused to take Brazil's economic and financial interests into consideration.

Discussions held in late 1984-early 1985 with US international banks and West European creditors—the Paris Club and the International Monetary Fund (controlled by the US and other imperialist powers) in an effort to reach an agreement on refinancing a significant part (53 billion dollars) of Brazil's foreign debt (due for payment in 1985-1991) failed and were postponed in February 1985 for an indefinite period. Brazil's agreement with the IMF, concluded in February 1983 and granting the country 4 billion dollars in loans over a three year period in order to help overcome its economic difficulties and to pay the interest on its foreign loans, in effect placed the economic policy of the Brazilian Government under IMF control. Brazil is obliged to report to the IMF on the progress of the country's "economic stabilisation" programme every six months. Only then can Brazil hope to receive the money that will be used not for economic development but to pay the continuously burgeoning foreign debt. Concerning the Reagan Administration's "debt strategy" Francisco Diaz, a foreign policy analyst, wrote that the US stood to gain from Brazil's continued financial difficulties, despite the danger of social unrest. Diaz went on to say that the US would continue to use the 100 billion dollar debt as a major means of influencing Brazil's foreign policy, for example, stifling the country's criticism of US action in Central America.

Brazil's foreign policy was affected by the country's transition to a civilian government in March 1985 after two decades of military dictatorship. The new government was more outspoken in favour of disarmament, establishing a general, lasting peace, finding a peaceful settlement to the Central American conflict based on the proposals of the Contadora Group and seeking a dialogue between the Latin American countries, on the one hand, and creditor nations, international financial organisations and banks, on the other. Thus, the Reagan

Administration was not successful in persuading Brazil to help in achieving its foreign policy goals in Latin America, the Caribbean and the world at large.

## **2. US-Argentine Relations: Deepening Conflicts**

It is important when considering American-Argentine relations to note the essential distinctions that separate Argentina from other regional countries. These distinctions are economic, socio-political and military-strategic in nature, and make Argentina quite logically a key country in US Latin American policy.

Having a relatively high economic potential, Argentina, along with Brazil, is one of the largest exporters of industrial and agricultural products in Latin America and leads the region in the export of grains, meat and wool. The country has made significant progress in the development of atomic energy (even exporting nuclear technology)<sup>41-43</sup> and has created a huge—by developing world standards—military industry with annual weapon sales of two billion dollars.<sup>44</sup> A ramified system of political parties functions in the country, and influential trade unions unite a significant percentage of the gainfully employed.

At the same time, Argentina was characterised by domestic instability in the sixties and seventies, rapid turnover of heads of state, a vacillating foreign policy and absence of a clear line with respect to the US. From the time of the coup which ousted the Peron Government in September 1955 until March 1976, i.e., not quite 21 years, the country was headed by 11 presidents, both military and civilian. Accordingly, the foreign policy goals pursued by the different governments changed—from the “third way” doctrine interpreted in various manners by the different Peronist governments, to the extreme pragmatism of Arturo Frondizi’s Government (1958-1963); and from efforts to conduct an independent foreign policy under President Arturo Illia (1963-1966) to blind anti-communism and the identification of national interests with those of the US under the regimes of Juan Onganía, José Guido and Roberto

Levingston.<sup>45</sup> The US was often at a loss as to how to deal with the changes in Argentina's internal situation, but usually Washington managed to find a *modus vivendi* with the Argentine governments, especially with the military regimes spouting anti-communism and being guided by it in inter-state affairs. Argentina was an attractive object for Washington's military-political strategy for a number of reasons: it was strategically located in the South Atlantic with an "out" to the continent of Africa, controlled Cape Horn—the only passage from the Atlantic Ocean to the Pacific—had proximity to the Antarctic region and prospects for discovering oil on unexplored territories.

US-Argentine relations have traditionally been complicated largely due to the fact that Argentina has maintained a great deal (as compared with other regional states) of independence in its trade, economic and political policies and has shown a preference for ties with Western Europe. As a result of these and other reasons, American-Argentine relations were often at an ebb (American political analysts have attempted to explain this as being due to Washington's lack of interest in close ties with Argentina). However, in the end, the various economic and military-strategic factors won out and forced ruling circles in the US to search for ways to increase their influence in the country. Acknowledging this, the well-known American political analyst Arthur Whitaker described the fall of US interest in Argentina during the time of economic depression in the 1970s and internal political instability as a sporadic occurrence, stressing that, "Argentina would have counted for little more for the U.S. foreign policy makers at the end of our period than it had at the close of the 19th century, but for its nuclear capability ... and the strategic importance of the South Atlantic eastward of the Cape Hope and South to the Antarctic."<sup>46</sup>

In the 1970s and 1980s American-Argentine relations evolved considerably, reflecting both the domestic political changes in the two countries and changes in the international situation.

As the result of general elections held in Argentina on March 11<sup>th</sup> 1973, Hector Campora, the candidate representing the Justice of Liberation Front, was elected president.

Campora's first steps after taking office revealed his inten-

tion to democratic internal policies and conduct an independent foreign policy. Inside the country, anti-communist legislation was revoked and political prisoners granted amnesty, on the international scene—diplomatic relations with Cuba were normalised and established with the GDR and DPRK. Campora often stressed his desire to fight for his country's economic emancipation from the rule of international monopolies and establish favourable conditions for the development of national enterprise. The position taken by the Campora Government quickly cooled American-Argentine relations.

Almost immediately after coming to power Campora turned Argentina from the "ideological barriers" doctrine and began to review the country's role in international affairs.

According to Arthur Whitaker, Washington's reaction to the changes in Argentina was similar to US reaction to events in neighbouring Chile. However, "Washington's occasional efforts to interfere there were usually counter-productive. At the end it reconciled itself to Peron's return only because the majority of the Argentine people insisted upon bringing him back."<sup>47</sup> It appears, though, that not only the will of the majority kept Washington from interfering more broadly in Argentina at a time when US interference in Chile was at its height (summer 1973). Clearly the further evolution of the Peronist Government, which based its foreign policy on the "third way" and "third world" doctrines, did not pose any serious threat to ruling circles in Washington.

After Campora was ousted from office by the election victory of Juan Peron in September 1973, the anti-imperialist process in Argentina slowed down. Under the slogan "Fight against Marxist penetration" leftist Peronists were squeezed out of their governmental posts.<sup>48</sup>

In November 1973, only a month after Peron took office, foreign companies were freed of several previously imposed restraints on their activities, something the US had demanded. Argentina's "radicalism" in such organisations as the OAS also significantly declined.

Nonetheless, the country still endeavored to follow an independent foreign policy and cooperate with the socialist countries. In 1973 a number of trade and economic agreements were signed with Poland, Czechoslovakia and other



socialist countries. In February 1974 Argentina and the USSR signed an agreement to develop trade, economic, scientific, and technological cooperation. In May 1974 an Argentine government delegation headed by the country's Minister of Economy, José Gelbard, paid an official visit to Moscow, which resulted in the signing of a joint Soviet-Argentine communique that was to serve as the basis for long-term trade and economic cooperation between the two countries.<sup>49</sup>

After Maria Martinez de Peron came to power following the death of her husband (July 1, 1974), Argentine policy came to reflect to an increasing degree the interests of large national and international monopoly capital. In October 1974, Gelbard was forced to retire from his post, and due to pressure from pro-imperialist forces, ratification of the trade and economic agreements signed with a number of socialist countries was postponed for an indefinite period. At the same time, American monopolies took advantage of the EEC decision to halt beef imports from Argentina to pressure the Justicialista Government to make additional changes in legislation concerning foreign investment. Endeavoring to increase the export of agricultural produce to the US in order to compensate for the temporary loss of European markets, Argentina agreed to further weaken control over foreign monopolies. Sullied by corruption, the government cabinet in effect passed under the control of José Lopez Rega, Minister of Social Welfare. Rega mounted an anti-communist terror campaign in the country and conducted a policy of rapprochement with reactionary military regimes in the south of Latin America. With the country embroiled in political terror and violence, the government of Maria Martinez de Peron was forced to flee the political arena. On March 24, 1976, a military coup took place, bringing to power a junta comprised of the commanders of the three arms of the service. General Jorge Videla, Commander of the Army, was named president. On August 13, 1976, legislation was passed liberalising conditions for foreign capital investment, and the new Minister of the Economy, José Martínez de Hoz, initiated the policies of the "Chicago School", which were aimed at strengthening the private sector in every way possible and limiting state enterprise.<sup>50</sup>

In summer 1976, de Hoz paid a visit to the US, after which the Argentine Minister announced that his economic policy had met with the approval and support of business and official circles in Washington. In turn, the US Ambassador to Argentina, Arnaldo Musich, stated that relations between the two countries were being developed in a spirit of cooperation, which was at perhaps its highest level in the history of Argentine-American relations.<sup>51</sup>

However, despite such "favourable prerequisites", relations between the US and Argentina quickly became troublesome again, largely due to the fact that the new Carter Administration included Argentina among the number of countries whose governments violated human rights. Washington's efforts to pressure the Argentine Government were to no avail. Already by March 2, 1977 (i.e., at the very beginning of the human rights campaign), Minister of Foreign Affairs César Guzzetti handed American Ambassador Robert Hill a note of protest from the Argentine Government concerning State Department Secretary Cyrus Vance's remarks addressed to the US Congress. The note stated that Vance's criticism of the human rights situation in Argentina violated the fundamental postulate of international law, in accordance with which no state has the right to intervene in the internal affairs of another.<sup>52</sup> At the same time Argentina's Minister of Defence issued a communique stating that his country refused military aid from the US.

However, there remained a considerable number of businessmen and government officials in both countries who wished to rectify this situation and "break the ice" that had formed in relations between Argentina and the US. Two factors played an important role here: the desire of a number of US government officials to use Argentina to balance the growing influence of Brazil in the region, and the Pentagon's interest in creating SATO.<sup>53</sup>

Brazil's refusal to participate in SATO made it all the more urgent to form this bloc with the participation of Argentina, Uruguay, Paraguay, Chile and South Africa. This was the proposal made by Admiral Humberto Mendez of Uruguay, in August 1978. In October 1979 Roberto Viola arrived in Montevideo, and the Latin American press began to report

on the possibility of creating SATO without the participation of Brazil. But a number of factors prevented this issue from being solved once and for all. One such factor was the territorial dispute between Argentina and Chile concerning the demarcation boundaries of both countries in Beagle Channel which in recent years had become a more complicated matter due to the problem concerning the distribution of territory in Antarctica.

The arbitration decision adopted by the British Government in May 1977 recognised the sovereignty of Chile over three small islands—Picton, Lennox and Nueva—located at the eastern entrance to Beagle Channel. These islands were of no economic value to either state, but considering the fact that it was from these territories that the 200-mile economic zone of sea territories would be determined, sovereignty would significantly influence plans for the use of the Antarctic region.<sup>54</sup>

At an emergency session of the Argentine Government held on May 3, 1977, this arbitration decision was "overturned". Throughout the year of 1978 relations between Argentina and Chile deteriorated to such a degree that the two countries were seriously considering the possibility of military action. At the end of that same year the two governments agreed to turn the matter over to Papal mediation. However, it is difficult to imagine how the Vatican would be able to resolve a dispute that had been carried on for many decades. Both countries had also laid mutual claims to territories in the Antarctic.

At meetings held for representatives of the states who initiated the signing of the Treaty on the Antarctic, Argentina and Chile spoke out against the plans of individual transnational corporations to exploit the natural resources of this region. Guided as it is by the monopoly interests, the US does not support the claims of Argentina or Chile on "their" Antarctic sectors.

The escalation of tension on the South American continent affects strategic interests of the United States. Specifically, the Argentine-Chilean conflict endangered the South Atlantic Sea Zone Command formed in 1966 for the purpose of coordinating naval operations in the region and conducting joint

naval manoeuvres with the participation of Argentina, Brazil, Paraguay and Uruguay. In accordance with Art. 4 of the Inter-American Treaty on Reciprocal Assistance, the "security zone" of this organisation included the southern part of the western hemisphere located between 20 and 90 west longitude all the way to the South Pole. The Pentagon was especially interested in the Drake Passage where large vessels incapable of entering the Panama Canal could sail through. The three disputed islands in the eastern part of Beagle Channel would make it possible to control (with resultant military advantages) three straits connecting the Atlantic and Pacific oceans: the Strait of Magellan, Beagle Channel and Drake Passage.

Increased tension on the South American continent was countered by the growing activity of democratic circles in Latin America and the progressive international community. In mid-January 1979, leaders of the Communist Parties of Argentina, Bolivia, Brazil, Paraguay, Peru, Uruguay and Chile signed an appeal to all peoples of the region, to all advocates of peace, democracy and social progress, calling on them to unite and prevent the outbreak of war.

The central problem in relations between the US and Argentina at the beginning of the 1980s was undeniably Argentina's refusal to join in the grain boycott levied by Washington against the Soviet Union. Seeking to get its way, in the middle of 1980 official circles in Washington called a special meeting for grain-exporting countries. But here too, Argentina withstood pressure from Washington and refused to support the discriminatory policy of the US Administration. Jorge Zorreguieta, Argentina's State Secretary for Agriculture and Husbandry, stated that Argentina had not agreed to any terms with the United States whereby the country would have to cut grain shipments to the Soviet Union.<sup>55</sup>

This decision made by the Argentine Government was a considerable blow to Washington since, as *Time* magazine noted, the USSR would be able to make up for 60% of grain losses resulting from sanctions imposed by the Carter Administration.<sup>56</sup>

Washington politicians were not pleased with the fact that US relations with one of the leading countries in Latin America had deteriorated. Thus, the search began to improve relations

with Argentina, principally by playing on the anti-communist sentiment of certain Argentine military officers and continuing to press for Argentine-American military cooperation as an "indisputable condition for saving Western civilisation". General Andrew Goodpaster, former commander-in-chief of NATO forces in Europe, was sent to Argentina as President Carter's personal emissary. The purpose of his visit was not kept secret: the US wished, first of all, to obtain Argentina's support for the grain embargo against the USSR.<sup>57</sup> To a large degree, it was hoped that Goodpaster would be able to establish close contacts with the Argentine military. However, this goal was not achieved and, as the *Washington Post* later reported, the General's mission ended in failure since it was doomed from the very beginning.<sup>58</sup>

Goodpaster's visit was viewed in Washington at the beginning of systematic consultations between the two countries. Still, Argentine-American relations remained at an impasse: Argentina refused to follow Washington's boycott policy, which would have harmed its national interests.

It was clear that Argentina wanted to follow a more independent foreign policy and that the country's ruling circles were seeking to diversify economic ties abroad. This could be seen by the budding rapprochement between Argentina and Brazil. In 1980 the two countries signed a treaty on cooperation in the sphere of nuclear energy. In May of the same year, the Brazilian President paid a visit to Buenos Aires where the central topic of discussion between the leaders of the two most powerful countries in South America was integration. In the statement issued when the visit ended, both sides expressed their support for a general and complete disarmament under international control, for establishing detente on the basis of greater dialogue between all countries and for creating a new world economic order. As was noted in the Argentine weekly *Informe*, the statement signified the end of the aggressive concepts that rightist elements in both countries had been insisting upon. It was especially significant that the statement failed to mention anything about the joint defence of the West, which was considered an affront to Washington and the military regimes of Chile and Uruguay, who were strong supporters of creating an

anti-communist alliance.<sup>59</sup>

Carter's grain embargo suffered another blow in the summer of 1980 when a longterm Soviet-Argentine agreement was signed for the delivery of fodder grain to the USSR. *The New York Times* observed that this agreement cancelled all the consequences of the American grain embargo and showed just "how far the U.S. is from influencing the military regime in Buenos Aires."<sup>60</sup>

This development of events was not to the liking of official circles in Washington and was brought up by Ronald Reagan in the presidential election campaign. The Republican candidate stressed that his administration would consider Argentina along with Brazil as yet another centre of power in Latin America and would seek to expand relations with the country.<sup>61</sup>

After Reagan took office, the US took clear measures to make Argentina its ally in the international arena. Nonetheless, despite renewed military and economic aid, Washington was unable to win concessions concerning the grain embargo against the USSR, participation in the multinational force in the Sinai and inter-American force in El Salvador, etc.

On his visit to Washington in September 1981, Argentina's Minister of Foreign Affairs and Religion Oscar Camilion expressed his country's unwillingness to change its trade and economic relations with the USSR to please the US. The question of Argentina's participation in the multinational force on the Sinai that was to be reviewed during the course of this visit was postponed for discussion for an "indefinite period".

In September 1981 the newspaper *Clarín* noted that the US was pressuring Argentina to take a harder line in its relations with the countries of Central America.<sup>62</sup> In May 1981 the US criticised a statement issued by Roberto Viola and President Figueiredo of Brazil concerning the non-interference of the two countries in the affairs of El Salvador. Official circles in Washington expected Argentina to support plans for creating "inter-American armed forces" to be sent to El Salvador and also that the country would provide a contingent of troops to participate in these forces. However, in talks with Washington Camilion stated that Argentina would not provide direct military support to the Salvadoran junta.

In 1981 the US stepped up contacts between the military of both countries. As was reported by the Argentine press, starting from the beginning of the year, American delegations arrived in Argentina every fifteen days, and the majority of these delegations were military.<sup>63</sup> The US was trying to strengthen contacts with leading Argentine commanders in the hope that should General Roberto Viola, whom Washington considered a "moderate", retire from political life, a more pro-American-minded general would assume the presidency and agree to follow a course that would meet Washington's interests. Specifically, on his trip to Buenos Aires in September 1981, General Vernon Walters attempted to persuade the Argentine military to create inter-American forces for El Salvador and eventual use against Nicaragua and Cuba. The question of organising SATO was also raised. Here it should be noted that under the Reagan Administration the US began to show greater interest in the Argentine-Chilean territorial dispute. In August 1981 US Ambassador to the UN Jeane Kirkpatrick announced that the US intended to take the dispute under control.<sup>64</sup>

In January 1982 General Leopoldo Galtieri became president of Argentina. The new president announced that Argentina would not support the grain embargo against the USSR. This announcement was welcomed inside the country but disappointed Washington officials who had hoped that the new government would cease cooperation with the socialist countries.

American-Argentine relations were severely damaged by the Falkland (Malvinas) Islands crisis. Quite a long time before the conflict arose the Argentine press noted that it would be possible for the United States to use this dispute to pressure Argentina to join SATO and cease developing trade connections with the Soviet Union.<sup>65</sup> However, the course of events did not allow Washington to follow through with its plans. On the eve of the occupation of the islands by Argentine troops Reagan let it be understood in a telephone conversation with Galtieri that the US would support Great Britain. Alexander Haig's "shuttle diplomacy" was therefore of a unilateral, pro-British nature. According to Argentine officials, Haig turned to "arm twisting" tactics, trying to force

Argentina to agree to the Anglo-American plan for setting up a "trilateral administration", which would have made it possible for Washington to legally maintain a presence on the islands. Subsequently, the US announced economic sanctions against Argentina. The material-technical and political support the US offered Great Britain directly helped to bring about Argentina's military defeat and hindered the Latin American countries from adopting more effective measures of solidarity.

The Falklands crisis had a serious impact on Argentina's inter-American policy. It may be said without any exaggeration that not since World War II had relations between the US and Argentina reached such a low point. Buenos Aires recalled its representatives from all Inter-American Defence Board organs and announced that it intended to obtain radical revisions in the inter-American system. According to official announcements, Argentina would continue to construct its policy on the basis of stronger solidarity among the Latin American countries.

At present, Washington is trying to normalise relations with Argentina, as can be seen from the lifting of economic sanctions. However, considering Argentina's determination to defend its rights to the Falkland (Malvinas) Islands and the possible changes in the country's internal and foreign policies, prospects for improving American-Argentine relations remain problematic.

The first foreign policy steps taken by the civilian government of Raúl Alfonsín, elected in 1983 as a result of the general dissatisfaction of the Argentina people with seven years of military rule, demonstrated that the new president intended to follow an independent course in international affairs. The new government announced that it would try to develop relations with all countries, including the socialist community. Special emphasis was placed on increasing Argentina's role in the Non-Aligned Movement and its efforts to work for establishing general peace. The international community welcomed Argentina's appearance, after years of self-imposed isolation during the country's period of military rule, and its more active participation in resolving global problems. For example, soon after his election, President



Alfonsín proposed convening a special Conference of Non-Aligned Countries to discuss the problems of disarmament. Argentina was quite active concerning this issue, signing a joint declaration, together with Mexico, India, Tanzania, Greece and Sweden, calling for a complete halt to the development, production and deployment of nuclear weapons and their means of delivery, a freeze of nuclear arsenals and the adoption of concrete measures for their elimination. The "Declaration of Six" was welcomed by the international community and received the support of the Soviet Union—the only nuclear power which had made a timely and sincere proposal to decrease the number of nuclear weapons as quickly as possible.

The non-aligned and neutral countries continued their persistent struggle for peace by issuing a declaration which was adopted at a conference of the heads of states and governments of six non-nuclear countries held in Delhi on January 1, 1985. The Delhi Declaration calls upon the peoples, parliaments and governments of the entire world to take urgent action to put an end to the arms race. The Declaration welcomed the Soviet-American agreement reached in Geneva to begin talks concerning the nuclear weapons issue. The authors of the Declaration underscored two points: the necessity for averting an arms race in space and the need to reach an agreement which would completely forbid all nuclear testing. The Declaration also took into account the needs of the developing states, noting that a halt in the arms race would promote economic progress throughout the world.

An important new element in Argentina's foreign policy is the country's greater emphasis on developing relations with the Latin American countries, which to a significant degree marks a departure from traditional Argentine diplomacy whereby the country sought to establish "special relations" with the countries of Western Europe and the US. This new policy is in contrast with that pursued by the military regimes, which did not properly concern themselves with developing relations with neighbouring countries. As we know, the ineffectiveness of this policy was demonstrated during the Falklands crisis.

The Alfonsín Government has spoken out in favour of

strengthening cooperation among the Latin American countries, protecting their national sovereignty and revising the inter-American system. Alfonsín has also criticised US plans for military intervention in Central America and the presence of foreign armed forces. Argentina supports the efforts of the Contadora Group in trying to establish cooperation with Nicaragua and Cuba.

However, problems created when the military was in power—how to repay the country's foreign debt (50 billion dollars by the mid-1980s), reach a settlement about the Malvinas (a decision that depends on the US and Great Britain)—to a great degree prevent the country from conducting a truly independent, flexible foreign policy course, concerning both global and regional issues.

In summer 1984 the civilian government of Argentina and Great Britain began to discuss the Malvinas in Bern. But the talks were soon disrupted due to the intransigence of Margaret Thatcher, who refused even to discuss the question of Argentina's sovereignty over the islands. The Argentine press and political parties considered Great Britain's refusal to continue the talks as a sign that Britain and official circles in Washington that supported Thatcher intended to undermine the position of the Alfonsín Government within the country and on the international scene. It is for this reason that Great Britain, with the help of the United States, is transforming the islands into a fortified air and naval base for the two countries, despite a plea from the new Argentine Government to demilitarize the islands in order to facilitate the reaching of an agreement concerning their future.

According to Argentina's Minister of Foreign Affairs, Dante Caputo, recently the country has divided its diplomatic efforts among the "isosceles triangle" represented by Latin America, the US and Western Europe. Argentina's numerous contacts with Western Europe are especially impressive. In April 1984, Caputo paid an official visit to Paris. That same month Hans-Dietrich Genscher, West Germany's Minister of Foreign Affairs, visited Buenos Aires. In June President Alfonsín made a trip to Spain, immediately following which the French Minister of Foreign Relations, Claude Cheysson, and Chancellor Helmut Kohl of West Germany paid a visit

to Buenos Aires. In October 1984, Alfonsín travelled to Italy and France. Argentina's increased contacts with Western Europe were directed at two objectives: easing payment of the country's foreign debt and winning the support of the European countries, or at least convincing them to remain neutral concerning the Malvinas question. The United States was using Argentina's foreign debt in order to pressure the government. When Alfonsín took office he announced that he would fulfil his country's financial obligations insofar as its economic capabilities allowed, and if payments were slowed and interest rates lowered. Alfonsín stressed that Argentina would not agree to conditions that would damage governmental plans in the political and socio-economic spheres.<sup>66</sup> The Alfonsín Government announced that 50% of all financial obligations incurred under the military regimes were not binding and extended the date for paying the country's principal debt until June 30, 1984.

Trying to gain the support of the Latin American countries in order to pay its foreign debt, the Alfonsín Government formed a "club" of debtor nations for joint action against the discriminatory policy of international finance capital, especially that of American banks. On June 21, the first meeting of the ministers of foreign affairs and finance of eleven Latin American countries was held in Cartagena (Colombia) to review foreign financing matters.

The Alfonsín Government also tried to win the support of Western Europe during lengthy discussions with the IMF concerning the country's foreign debt. As a matter of fact, during his visit to Buenos Aires, Chancellor Kohl promised to "help" the new Argentine democracy.

However the agreement reached with the IMF in September was described by the progressive Argentine public as a dangerous concession to international financial capital that could undermine the prestige of the government inside the country and curtail its freedom of action in the socio-economic sphere. In exchange for extending the country's debt payments and refinancing its foreign debt, the IMF demanded that Argentina reduce its budget deficit and take anti-inflationary measures such as reducing social expenditures and freezing wages. By significantly cutting state spending, the Alfonsín Govern-

ment undertook to bring inflation down to 300% by October 1, 1985, and to 150% by October 1, 1986.

As far as the Malvinas question was concerned, Argentina was unable to persuade West European countries to take a neutral stand with regard to the conflict with Great Britain. This was revealed by the result of the vote taken concerning this issue at the 39th UN General Assembly session. The West European countries abstained from voting on a resolution calling for talks to resolve the dispute, and this, in effect, played into the hands of the Thatcher Government, which refused to discuss the issue with Argentina.

Argentina's foreign debt and unresolved territorial dispute with Great Britain affected Alfonsín's foreign policy, "amending" its progressive direction. This, in our opinion, is why official circles in Argentina began to tout the country's loyalty to Western ideology, to confirm the need for mutual understanding and cooperation with the US and to insist that the US participate in any dialogue with the Latin American states.

With the British construction of a military base on the Malvinas underway, Argentina proposed that the coastal states create a South Atlantic "collective defence system". Although US participation was not envisaged, it implied the militarisation of the South Atlantic, including those countries with military and political ties to the US, and was based on the false ideological premise of "two imperialisms". In October 1984, the attention of the world was drawn to the fact that a team of South African rugby players made a trip to Argentina, thus revealing stronger ties between Buenos Aires and the racist regime of Pretoria.

The positive steps taken by Alfonsín in international affairs helped Argentina strengthen its sovereignty and international position, raise the prestige of the government inside the country and consolidate the country's democratic forces in support of a progressive policy. Nonetheless, Argentina remained a part of Washington's Latin American strategy and within American imperialism's "sphere of interests". Thus, just as before, the country experienced all the changes in the Latin American policy of the US, which today is basically one of using the "wave of democracy" that has swept southern Latin America to its own ends and forcing

the democratic governments in the region to renounce real democratic transformations inside their countries and on the international scene, and follow instead the course mapped out for them by the Reagan Administration. For this purpose the United States intends to employ such tried and tested methods of pressure as the Latin American countries' foreign debt and unresolved territorial disputes, trying to achieve some benefit from problems formed as a result of the region's long semi-colonial history and undeveloped economic potential.

### 3. US-Venezuela: Oil and Politics

The serious energy situation the US was faced with in the 70s and 80s left its mark on all presidential administrations—from Nixon to Reagan—and led to the employment of Washington's fuel (primarily oil) diplomacy. As was noted in a collective work by a group of Soviet scholars, "The problem of mineral and fuel supply became a basic issue in the domestic and foreign policy of the United States and a primary problem with respect to international relations among non-socialist countries."<sup>67</sup>

The US fuel problem had two important aspects: the rapid growth in the share of imported oil used for national consumption (from 23% in 1970 to 48% in 1977) and the unabated increase in the price of "black gold" (if the numerical equivalent 100 may be taken as the price of oil on the world market in 1970, by 1977 this index stood at 748)<sup>68</sup>. Moreover, in the latter half of the 1970s the US obtained up to 70% of its imported oil from OPEC countries (in 1970—only 38%).<sup>69</sup> US relations with many of these countries became quite difficult due to Washington's support of Israeli aggression in the Mideast. For example, during the October war of 1973, Arab oil exporting states decided to introduce an embargo on the delivery of fuel to a number of western countries. Under these circumstances it was crucial that the US find a reliable source of oil in Latin America. This became all the more urgent after the overthrow of the Shah of Iran and halt in American-Iranian trade and economic relations, and also in connection with the significant decrease of Canadian

oil imported into the US that occurred in the mid-1970s.

For a number of years Venezuela was the most important foreign source of oil for the United States. Up to 1976 it was the largest supplier of oil to the US among the Latin American countries. This situation is explained by the fact that already in the first thirty years of the 20th century American monopolies had seized control of major Venezuelan oilfields and intensively exploited them for decades.<sup>70</sup>

On August 29, 1975, President Carlos Pérez signed into law a measure requiring that all the Venezuelan oil industry be under the control of the state. Now the Venezuelan Government would possess all rights to explore for oil and other types of mineral fuel, develop their sources, process, refine and transport fuel. In addition, a state oil company—Petroven—was formed. Signed into effect on January 1, 1976, this nationalisation law resulted in the largest loss for US monopolies since the corporations began business activities in Latin America. The state now had control over a sector of the economy whose annual volume of sales exceeded 10 billion dollars. But the American multinationals were forced to comply with the Venezuelan Government. Due to the new international situation which had arisen—characterised, on the one hand, by the strengthened position of world socialism and development of detente, and, on the other, by the considerable achievements of liberation movements in the developing world—imperialism was compelled to take into account the firm intentions of a growing number of countries in Asia, Africa and Latin America to completely restore national sovereignty over natural resources and put an end to the plunder of international monopolies.

At the same time, new relations between imperialism and the developing countries by no means implied that oil monopolies had “reconciled” themselves with their loss of power in Latin America and other regions. The activities of Venezuelan affiliates of US corporations (particularly Exxon) reveal in what way the multinationals adapted to the changing situation in the world.

Having lost their concessions and direct control over the extracting and processing of oil in Venezuela and unconditionally accepted compensation from the Venezuelan

Government (507 million dollars), Exxon, nonetheless, remained in the country, but in a new role: a sales agent for Venezuelan oil and purveyor of technology. According to the terms of a contract signed after the nationalisation, Exxon could buy from Venezuela approximately one million barrels of crude oil and oil products per day and then sell them on the world market through the corporation's sales network.<sup>71</sup> In this way, in a new situation, the monopolies provided themselves with a rich source of raw materials. A more important aspect of Exxon's strategy was the transfer of technical and management know-how. This may be seen by an agreement signed between Exxon and Petroven whereby the monopoly agreed to provide Venezuela with 80 thousand man-hours of technical and management consultation per year, which, in effect, is equal to the full-time employment of forty specialists in the country. Additionally, Petroven had the right to hire another 150 Exxon employees. The monopoly also agreed to help Venezuela organise professional upgrading courses for oil industry specialists: furnishing teachers and learning materials, computer programmes, etc. Five high-level Exxon managers (heads of research departments in the corporation) participated in helping to organise Petroven's own research programme. Finally, Exxon assisted Venezuelan companies in buying foreign technology and equipment. The agreement between Exxon and Petroven did not touch upon the new technology of drilling for huge reserves of heavy oil in Venezuela (the so-called Orinoco oil belt) since the technique had not been completely worked out. However, in the future Petroven would be allowed to acquire this technology.<sup>72</sup>

Developing countries which cooperate with the multinationals run a serious risk of endangering their national sovereignty. The Exxon example shows that the monopoly "left Venezuela in order to remain" in a new—and considering the ongoing technological revolution, an extremely promising—role. Exxon and other oil corporations were counting on utilising their position as suppliers of technology and intermediaries in the sale of Venezuelan oil in order to maintain, and even deepen,

Venezuela's economic dependence. Progressive forces in the country, primarily the communists,<sup>73</sup> are aware of this danger, as are its ruling circles.

Thus, the nationalisation of the Venezuelan affiliates of the multinationals did not automatically eliminate the monopolies' influence on the country's economic development. Moreover, conditions remained for the restoration—in a new form—of monopoly control over Venezuela's oil industry. Judging from the evidence, this was what Washington was counting on in helping to direct Venezuelan policy (primarily concerning oil) toward the interests of the US. Official circles in Washington were basically interested in achieving two things: increasing the export of Venezuelan oil to the United States (in order to somewhat weaken its dependence on Arab suppliers) and having Venezuela adopt a conservative approach of restraint as far as prices were concerned. But the US had other interests as well in extending relations with ruling circles in Venezuela.

However, it was no easy matter to attract Venezuela to the imperialist plans of the US. For one thing, the country was increasingly conducting a more independent foreign policy course: and for another, widespread American-Venezuelan disagreements subsequently came to be felt.

As one of the OPEC founding countries Venezuela continued to play an active role in the organisation in the 1970s. This helped increase the country's prestige in the developing world. Venezuelan diplomacy was even more respected after the country became a major supporter for the establishment of a New World Economic Order.

In the opinion of many, it was the struggle to achieve the goals formulated in the programme of the NWEO that helped Venezuela overcome a narrow pragmatism in its foreign policy, "deprived of a global strategy and clear priorities",<sup>74</sup> and defined its diplomacy with a concept that was essentially one of solidarity with developing countries in their efforts to alter in their favour trade and economic relations with the West. Venezuela's new policy was especially evident with respect to the country's relations with other Latin American countries



(particularly those in the Caribbean) where, as Venezuelan scholar D. Bersner noted, Caracas had begun to follow a policy to strengthen unity among the Latin American states and oppose the expansionist policy of the US.<sup>75</sup> Venezuela's new foreign policy course was characterised by such actions as the normalisation of relations with Cuba and initiative in the creation of LAES.

According to American political analyst Franklin Tugwell, the changes in Venezuela's foreign policy were met in Washington with "passive disapproval", and a number of aspects of Caracas' international activities in the 1970s began to annoy Washington. Among these Tugwell lists: Venezuela's participation in OPEC; its role in LAES and the "North-South dialogue"; the nationalisation of the oil industry; participation in raw material anticartels; membership in the Andean Pact; defence of the principle of ideological pluralism; position in favour of readmitting Cuba to the inter-American system; support of Panama's position concerning the Panama Canal; negative attitude toward the Pinochet junta; leading role in the Latin American countries' condemnation of US trade laws passed in 1974; etc. Tugwell went on to say that all these points of disagreement placed in doubt (if not dashed altogether) "hopes for a new understanding between the US and Venezuela".<sup>76</sup>

At the same time, official circles in Washington clearly believed that due to basic common class interests shared by the growing Venezuelan bourgeoisie and US monopoly capital, and also as a result of the difficulties encountered in seeking to establish a New World Economic Order and organise any type of significant solidarity among the developing nations, Venezuela would be less motivated to follow an independent foreign policy. As Tugwell observed: "Following its first flurry of diplomatic initiatives, Venezuela has become more cautious and less ambitious as it has become aware of the obstacles to collective action of any kind in Latin America."<sup>77</sup> Simultaneously, Washington was counting on the mounting fear in certain Caribbean countries that Venezuela was pursuing "hegemonic" or "neo-imperialist" goals, thus giving rise to conflicts between Venezuela and its neighbours.

The US had high hopes that with the coming to power of Luis Campins in 1979 Venezuela would alter its foreign policy. And, in fact, the country's foreign policy did undergo certain changes, and progressive trends were stifled. Specifically, Venezuelan governmental leaders let themselves be drawn (though not completely) into the anti-Cuban campaign, gave their approval to the Camp David Accord, which Campins, despite evidence to the contrary, described as the "first notable step on the road to restoring peace in the Mideast", and supported the anti-popular junta in El Salvador, essentially lining up with US policy.

Venezuela's foreign policy was especially inconsistent and ambivalent in the early 1980s. According to the magazine *Resumen* "it appears that the present government is trying for an unbeatable record: supporting the communists in Nicaragua and the anti-communists in El Salvador."<sup>78</sup>

However, Venezuela's oil policy remained virtually unchanged: to continue to protect the national wealth from encroachment by the multinationals and to obtain a fair price for oil. Official circles in Washington were quickly made aware of this. Vice-President Mondale, who was present at the swearing-in ceremony of Luis Campins, had a long discussion with the new Venezuelan leader, but could not persuade him to alter his country's oil policy and sharply increase exports of the fuel to the US.

Washington used various means to try to pressure Venezuela. US Ambassador to Venezuela William Luers warned that increased oil prices would bring about a global crisis and stated that the "United States would not tolerate this". At the same time Washington proposed a new trade agreement with Venezuela (a previous agreement had been cancelled by the Venezuelan Government in 1972), hoping in this way to increase the country's trade and economic dependence on the US.<sup>79</sup> But Venezuela did not sign such an agreement. Since oil is its most important export and major source of income, it is understandable why Venezuela placed considerable emphasis on protecting oil prices and trying to increase them. In keeping with this position, the country supported the proposal made at a June 1980 meeting of OPEC member-countries in Algeria to raise the

price of oil to 32 dollars a barrel.

Describing the oil problem in American-Venezuelan relations, Senator Edward Kennedy stated that the US could not expect Venezuela to conduct its energy policy in accordance with US interests.<sup>80</sup> But at the same time, this influential politician pointed out the need for searching for a compromise to emerging problems. In a special report to the US Congress, Kennedy noted that it was very important that the US obtain access to the vast reserves of heavy oil in the Orinoco oil belt and suggested a number of proposals for establishing the principles of American-Venezuelan relations in the future: first, Venezuela would be granted incentives for selling its heavy oil and oil products on the American market; second, the US would be guaranteed long-term, stable deliveries of the fuel; third, Venezuela would receive significant technological assistance for developing its agriculture. If this programme were implemented, wrote Kennedy, the United States could decrease its dependence on energy sources subjected to strong political instability.<sup>81</sup>

Lenin once stated: "Finance capital is interested not only in the already discovered sources of raw materials but also in potential sources, because present-day technical development is extremely rapid, and land which is useless today may be improved tomorrow if new methods are devised ... and if large amounts of capital are invested."<sup>82</sup> In the hopes of at least partially solving its own energy problems and strengthening its position in the Caribbean (taking advantage of American TNC infiltration in the Venezuelan economy to achieve these purposes), the US is pursuing attempts to obtain access to new oil fields in Venezuela.

After Reagan came into the White House, American-Venezuelan relations acquired, according to the American press, "an even more friendly character". In large part this was due to the fact that President Campins was successful in portraying himself as an anti-communist and the ruling Social Christian Party had clearly shifted to the right as compared with the early 1970s. However, Venezuela's support of Reagan's Latin American policy was to a large degree predetermined by its own political aspirations.

Seeking to "assert" itself in the Caribbean, Venezuela's upper bourgeoisie needed a strong ally and patron to help consolidate its influence in the region. The United States supported Venezuela's claims to the leading role among the Caribbean states in exchange for its adhering to Reagan's foreign policy. Thus, in exchange for Venezuela's support of Duarte in El Salvador, the US agreed to sell Venezuela the latest F-16 fighters, despite the fact that its neighbouring countries, Colombia and Guyana (with whom Venezuela had unresolved territorial disputes), expressed alarm at the rapid modernisation of the Venezuelan Army. The dispute between Venezuela and Guyana was especially sharp. Listing the reasons for US dissatisfaction with Guyana—the country's position concerning the Mideast, friendly relations with Cuba, etc. a special bulletin published by the People's Progressive Party (PPP) noted that it was clear that the US was supporting the more extremist circles in Venezuela in the hopes of forcing Guyana to lean more to the right.<sup>83</sup> Venezuelan-Guyanese relations were the topic of discussion when Venezuela's Minister of the Interior Rafael Montes de Oca and General-Secretary of the President's Chancellery Gonzalo Bustillos visited Washington in May 1981. In the final months of 1981 Caracas announced its plans several times to increase forces on the Guyanese border. When Campins visited Washington in November 1981 he in effect stated his support for Reagan's anti-Cuban and anti-Nicaraguan policies. Both presidents expressed their approval of the resolution passed by the 11th OAS General Assembly Session in support of the "election process" in El Salvador. This resolution, which in effect played into the hands of the bloody Salvadoran junta, was adopted at the session through the efforts of nine states, headed by Venezuela and Colombia, which spoke out against the Mexican-French declaration calling for the recognition of the Salvadoran guerrillas as a real political force in the country. Campins again announced Venezuela's willingness to "share responsibility" with the US in implementing Reagan's plan of development for the Caribbean.

Venezuela's opposition parties expressed its dissatisfaction with the foreign policy being pursued by the

country. Jaime Lusinchi, General-Secretary of the Democratic Action Party, spoke out in favour of halting Venezuela's militarisation and seeking a negotiated settlement to all territorial disputes. Venezuela's third political party, the People's Electoral Movement, blamed the Campins Administration for blindly following Washington's lead. Campins, of course, had to reckon with this situation. Although the Venezuelan President supported Reagan's anti-Cuban and anti-Nicaraguan campaigns, he did not support Washington's plans to militarily intervene in these countries. At a meeting with Reagan, Campins again reiterated Venezuela's interest in creating a "zone of peace" in the Caribbean and the country's determination to establish a New World Economic Order.<sup>84</sup> The anti-imperialist direction of Venezuela's foreign policy throughout the 1970s was naturally reflected even during the period when American-Venezuelan relations were on a relatively more agreeable basis. Venezuela's national interests necessitated withdrawal from a pro-American stance which could involve the country in conflicts with neighbouring countries and lead to its isolation in Latin America.

When the Democratic Action Party headed by Jaime Lusinchi came to power in February 1984, Venezuela's foreign policy was significantly altered. The first foreign policy steps taken by the new administration revealed the country's more radical approach to international affairs. Some positive steps were noted concerning Venezuela's attitude toward the Central American problem. Unlike previous Venezuelan leaders, Lusinchi did not share Reagan's idea about a communist conspiracy, rather he suggested that the crisis in the region was based on economic backwardness and centuries of oligarchic and dictatorial rule. Lusinchi unequivocally stated his position when he travelled to the US to meet with Reagan in December 1984. During these talks, the Venezuelan President affirmed his country's position as a member of the Contadora Group. He stated the necessity for reaching peaceful solutions to the Central American problem through negotiations and called on the US to refrain from the use of force. Lusinchi stressed Venezuela's determination to contribute to effectively democratising the region on the principles of freedom, pluralism and social justice.

Venezuela's foreign debt was also a topic of discussion at the Washington meeting between the two presidents. Lusinchi expressed his administration's feelings about the problem at the 39th UN General Assembly session: "The developing countries are on the verge of exhausting their patience and means of implementing social policy due to the high level of unemployment and trade deficit."<sup>85</sup> Lusinchi went on to say that the industrialised countries persisted in defending their anachronistic privileges in trade and financial spheres, by protectionism and by discriminatory practices in the sphere of foreign finance, thus aggravating the developing countries' foreign debt problem.

In his talks with President Reagan, Lusinchi also insisted upon the need to refinance the debt of the Latin American countries and allow Latin American exports greater access to the US market. But the central topic of discussion was the Central American issue. Venezuela and Mexico were playing a leading role in the Contadora Group and had special interests in the Caribbean and neighbouring Central American region. There was good reason for the United States' increased interest in Venezuela and this was reflected in the writings of a number of American politicians. They believed that the vast oil deposits recently discovered in the Orinoco River basin will extend Venezuela's energy resources to the end of the next century.<sup>86</sup> The US is taking into account the close relations Venezuela has developed with the English-speaking countries of the Caribbean. When announcing the new Venezuelan government's foreign policy programme, Minister of Foreign Affairs Juan Morales Paul stated that the country would show an increased interest in these countries since they were extremely important to Venezuela as far as security, trade, economic, political and other matters were concerned. At the same time, Central America would continue to play a large role for Venezuela as a market for its products, especially oil. It was also suggested that "Venezuela may be less active in the Andean pact and concentrate itself in the Caribbean."<sup>87</sup>

Inasmuch as the present US Administration has proclaimed the Caribbean countries to be a priority subject, it is

apparent that Venezuela automatically falls into the group of countries the US considers the most important for its Latin American strategy. It was not accidental that the Venezuelan President was the first foreign head of state invited to the US after Reagan was reelected in November 1984. Washington now considers it a matter of utmost urgency to alter Venezuela's position regarding the Central American issue. The US would like to utilise Venezuela as its "agent" in the Contadora Group. But despite Reagan's praise of "Venezuelan democracy", of the "Venezuelan model of development", and of Jaime Lusinchi personally (whom the US President referred to as one of the United States' best friends in Central America), the two presidents remained divided concerning the nature of elections in Nicaragua. In summing up the talks, Lusinchi announced that the problems of the Central American region would be solved by the Central American countries themselves without any outside interference.

Considering the authority and influence of Venezuela at present, certain steps taken by the country could considerably alter the balance of power in the region. For several years now Venezuela has not participated in joint military exercises along with the US and other Central American and Caribbean states, and even declined to send in observers. Venezuela has also ceased to cooperate with the reactionary regimes of Honduras and Guatemala and to take part in subversive activities against Nicaragua. Despite US protests, Venezuela intends to renew oil shipments to Nicaragua. Representatives of Venezuela and Mexico in the Contadora Group proposed that limits be set to "super-power" interference in Central America. Considering the numerous occasions when the US intervened in regional affairs, this proposal was clearly anti-American in nature. In an effort to remove obstacles set by the US Administration and reactionary Central American dictators, to block the Contadora Group's initiatives, Venezuela proposed a meeting between Fidel Castro and Ronald Reagan to try to stop the bloodshed in the region. However, Harry Schlaudeman, Reagan's special envoy to Central America, rejected this offer.

In light of all this, it seems quite inconsistent that Jose Duarte, President of the bloody, pro-American regime in El Salvador, should be welcomed in Caracas and awarded the Republic's highest honour—the Liberator Order—by Lusinchi himself.

Despite the fact that the Venezuelan Government announced several times that Eden Pastora, a traitor to the Nicaraguan people, was in Venezuela on a personal visit, relations between the two countries deteriorated. The US mass media took advantage of the situation to launch a vociferous campaign aimed at provoking a conflict. Thus, Venezuela did not publicly condemn the US mining of Nicaraguan harbours, claiming that it was necessary to remain "equidistant" from the two sides of the conflict.

Obviously, Lusinchi did not wish to annoy the US with too independent a course in Central America, especially since Washington was capable of using the country's foreign debt to pressure Caracas.

This was not a new tactic for the United States. However, taking into consideration the alignment of forces in Latin America at present, the US has no illusions regarding preserving its exclusive dominion in the region and is prepared to "share the responsibility" with other developed capitalist countries.<sup>88</sup> While tolerating some of Caracas' foreign policy moves which are more in keeping with European Social Democratic policy in Central America than with Washington's course, the US still strives to retain its "moral leadership", never hesitating to back it with strong economic pressure.

#### 4. Mexican Oil and American Interests

In the latter half of the 1970s and early 1980s, US interest in Mexico sharply increased. *Business Week*, an influential American business journal, noted: "Mexico, traditionally an orphan of U.S. foreign policy, has suddenly moved close to the top of Washington's agenda."<sup>89</sup> Closer American-Mexican ties were due to deep and persistent economic and political factors which make it possible to



assume that the changes in the relations between the two countries will be long-term rather than circumstantial.

American-Mexican relations were beginning to take on a new character even during the time of Luis Echeverría's presidency. As M. Ojeda, a distinguished Mexican political analyst observed, Echeverría made the reduction of Mexico's dependence on the US one of his most important foreign policy goals. To this end, the Mexican President displayed an unprecedented level of foreign policy activity, visiting while he was in office approximately 40 countries around the world, including the USSR, China and many developing countries. One of the most important trends in Mexico's foreign policy during this time was increased cooperation with the developing world. "Nevertheless and paradoxically," Ojeda notes, "the Mexico that Luis Echeverría left his successor [José López Portillo] was a country much more dependent than that which he received from his predecessor."<sup>90</sup>

Mexico's weakened foreign policy position in the mid-1970s was to a large degree the result of the country's economic difficulties, which, for the most part, were caused by US monopoly policy. Another contributing factor was the action of Washington-controlled international capital finance organisations, which, taking advantage of Mexico's foreign debt increase (from 3.8 billion dollars in 1970 to 25 billion in 1977) and greater outflow of profits and other forms of payment for the sale of technology, services and management know-how, were able to apply strong economic and financial pressure against the country. In 1977 alone more than 1.1 billion dollars worth of capital was transferred from Mexico to the United States.<sup>91</sup> Also, Mexico's trade deficit with its northern neighbour shot up from 500 million dollars in 1970 to 2.1 billion dollars in 1975.<sup>92</sup>

Simultaneously, the independent, progressive actions taken by Mexico on the international scene extremely annoyed official circles in Washington, which responded by unleashing a vicious anti-Mexican propaganda campaign. The matter went so far as the adoption of a provocative resolution concerning "Mexico's slipping toward communism"

by the US Congress and demands for levelling strict trade and economic sanctions against the country.<sup>93</sup>

Mexico's deteriorating economy caused a "crisis of confidence" in the government. Ojeda writes: "The Government of President Echeverría has lost almost complete control over events."<sup>94</sup> As a result, President Portillo acquired a country in the midst of a deep crisis, and this seriously weakened his position with respect to the US, as was made evident as early as February 1977 when the Mexican President met with Jimmy Carter in Washington. Portillo, appearing before the US Congress, where he was given an obviously cool reception, declared: "The United States must face great responsibility with Mexico not only as a geographical neighbour but also as a neighbour in the process of development."<sup>95</sup>

But Mexico's weakened position with respect to the United States was transient. Already by 1978-1979 factors had come into play that considerably influenced the balance of power between the two countries and forced Washington to take an increased interest in its southern neighbour.

The fact that Mexico had quickly turned into a large oil-exporting country was of special importance to the US. Oil deposits discovered on Mexican territory in the 1970s were rich, and already by the early 1980s Mexico had moved to fourth place in the capitalist world (after Saudi Arabia, Kuwait and Iran) in known oil reserves—50 billion barrels. Here it is important to note that only an insignificant part of Mexican territory has yet been explored for oil, giving experts every reason to believe that new deposits will be discovered. But even the oil from known deposits alone is enough to make Mexico a leading producer and exporter of oil. According to Jorge Diaz Serrano, President of the Mexican oil company PEMEX, more than 2.2 million barrels of oil per day were produced in 1980s, 1.1 million barrels of which were exported (in 1976, Mexico exported less than 100,000 barrels per day, i.e., oil exports rose by 11 times in five years and were continuing to grow quickly).<sup>96</sup>

The great interest expressed by American monopolies in a steady and increasing supply of Mexican oil

(especially after the overthrow of the Shah of Iran and also considering the difficulties encountered in relations with Venezuela) considerably affected Washington's official policy. As was noted in *Business Week*, prospects for obtaining a significant amount of oil from neighbouring, politically stable Mexico (which was not even a member of OPEC) made this country a "potentially vital link in US economic strategy."<sup>97</sup>

The US Congress was paying increased attention to developing relations with Mexico. Representative Eldon Rudd stressed: "Mexico could become a more stable and reliable international supplier of oil very soon, if given proper encouragement by our Government. The current situation in Iran demands that the President do everything possible to arrange oil export agreements with Mexico."<sup>98</sup>

Reflecting the mounting interest in Mexican oil, official US agencies prepared special reports to evaluate the capabilities of Mexico's oil industry and made corresponding recommendations to Washington. For example, the National Security Agency submitted a report recommending that US-Mexican relations be considerably improved.<sup>99</sup> Another report concerning the development of Mexico's oil industry was prepared by the Central Intelligence Agency. The report noted that by 1990 oil production in the country could reach 10 million barrels per day, i.e., more than was produced by Saudi Arabia at the end of the 1970s. *The New York Times* suggested that the intensive exploitation of Mexico's oil wealth could provide the US with oil for forty years.<sup>100</sup>

The impression was that the US government and the American press were speaking about the Mexican oil industry as if it were their own. Washington was trying to dictate to Mexico at what rate it should develop its oil industry and even suggested that American monopolies participate in drilling in Mexico's oilfields.

To achieve its goals the US was prepared to use strong economic and financial pressure, taking advantage of the firm position held by affiliates of American monopolies in Mexico's economy, the country's great dependence on the US for trade and also its huge foreign debt

(up to 90% of which was owed to private American banks and Washington-controlled international finance institutions). At the same time, the possibility of closing the US-Mexican border in an effort to prevent thousands of Mexicans from crossing over into American territory in search of jobs was discussed in the US Congress and American press.<sup>101</sup>

But the greatest hopes were placed on the expansion of American monopolies in Mexico. In just a two-year period (late 1978 to late 1980), US monopolies increased their investments in the Mexican economy from 3.7 billion dollars to 5.1 billion dollars and firmly established themselves in a number of leading industries (car manufacturing, chemical, electronics, etc.)<sup>102</sup>

It was during Jimmy Carter's visit to Mexico in February 1979 that attempts were made to pressure the Portillo Government to conclude a long-term agreement (favourable to Washington) concerning oil deliveries to the United States. The Americans urged Mexico to "liberalise" its foreign trade regulations, which protected the interests of local businesses, and encouraged the country to join the General Agreement on Tariffs and Trade (GATT), which, as is known, was basically aimed at defending the interests of developed capitalist states. In addition, Carter and his entourage tried to show the advantages Mexico would gain by establishing closer trade and economic cooperation with the US.

Washington was counting on persuading Mexico to join GATT in order to help eliminate its trade deficit (the first in many years) with its southern neighbour which had resulted from a sharp rise in purchases of Mexican oil. In 1979 American exported 6 billion dollars worth of goods to Mexico while imports totalled 7 billion dollars.<sup>103</sup> At the same time, official circles in the US were trying to conclude a difficult agreement for the delivery of Mexican natural gas, which was urgently needed in America's southern states. In autumn 1979 an agreement was signed (at the time of Portillo's visit to Washington) which provided for the US to receive 300 million cubic feet of natural gas per day beginning on January 15, 1980 (amounting to 8% of US natural gas imports).<sup>104</sup> Moreover, the contract allowed for a

significant increase in deliveries in the future. But talks to convince Mexico to join GATT were unsuccessful.

Nonetheless, wishing to more effectively influence Mexico's economic policy, US official circles did not cease in their persistent attempts to tie the country's economy as tightly as possible to the economic structure of the United States. Washington was especially anxious to create a so-called North American Common Market that would include the US, Canada and Mexico.<sup>105</sup> *Fortune* magazine, a mouthpiece for US monopolies, called this an "exciting" idea that was reasonable for all sides. The magazine further noted that the three countries could become independent of energy imports and, if this happened, they would halt the flow of dollars to OPEC countries. But this would favour only the United States which was interested in obtaining open access to the energy resources of Canada and Mexico. As far as the latter two countries were concerned, they would receive dubious benefit from such a "common market". And, as *Fortune* acknowledged, a North American common market would without doubt give free reign to US monopolies in these countries and lead to the ruin of thousands of small and medium business enterprises. The political consequences of such a common market could prove even more dangerous for the sovereign interests of Canada and Mexico. *Fortune* wrote: "The US would inevitably dominate a North American common market no matter how carefully its rules might be drawn, how softly its diplomats might tread, how well the other members' economies might perform."<sup>106</sup>

Thus it is understandable that official circles in Mexico were highly suspicious of plans to create a North American common market. Portillo noted in a *Time* magazine interview that such plans had their drawbacks since its framework would necessarily entail the submission or subordination of the interest of the weakest party, which was Mexico.<sup>107</sup> Portillo reaffirmed this official position on a trip to Canada in 1980. The Mexican President refuted the suggestions and rumours being spread in Washington concerning the organisation of a common market, stating that Mexico's energy resources would not be used to maintain the high living standards of others. Prime Minister Trudeau

added that a North American common market was not in Canada's interests either.

But official circles in Washington could not forget about this idea; it was too attractive to American monopolies, which each year were experiencing fiercer competition from Western Europe and Japan. US companies were therefore greatly interested in obtaining new markets, new sources of cheap labour, i.e., everything that Mexico had a surplus of.

In 1979, for the first time since the Second World War, the gross national product of the European "nine" exceeded that of the United States. Official circles in Washington believed that a North American common market could "boost" the American economy's sluggish performance.

Washington's intrigues to get its hands on Mexican oil clearly threatened that country's national sovereignty, and were therefore strongly opposed by Mexican patriots. Taking these patriotic forces into account, the Mexican Government announced its decision to use oil export earnings to encourage economic growth throughout the country and solve such pressing problems as unemployment, poverty and illiteracy. Portillo stated: "Oil is our first historical chance, and may be the only chance we have, of solving our problems."<sup>108</sup>

It should be noted that these hopes were based on an unprecedented (for Mexico) growth in income from oil exports. Whereas in 1978 this income amounted to 2.4 billion dollars, the corresponding figure for 1980 was 8 billion dollars.<sup>109</sup> However, it is clear that it will be impossible to make Mexican oil work for the national interests as long as the country maintains unilateral economic dependence on the US, which is trying to take advantage of Mexico's situation. It is interesting to note that while Washington rejected the feasibility of maintaining "special relations" with Latin America, as a whole, it anxiously sought to establish such relations with Mexico.<sup>110</sup>

In an effort to lessen its dependence on its northern neighbour and strengthen its international position, the Mexican Government began to diversify its foreign trade and, most important, to increase the number of countries

buying Mexican oil. The first task was to cut oil exports to the US from 80 to 60% and increase sales to the countries of Latin America, Europe and Japan.<sup>111</sup> Thus, oil agreements were signed with France, West Germany, Sweden, Spain and other countries in 1979. Due to the growing demand for high-quality Mexican oil, the Mexican Government sought out new markets. As a result, already by 1980 exports to the US had been cut to 60-65%, though it remained Mexico's largest oil buyer (727 thousand barrels per day). Other countries importing Mexican oil included: Spain—160,000 barrels per day; France—100,000; Japan—100,000; Israel—45,000, Brazil—20,000; Costa Rica—7,500; Nicaragua—7,500 and Yugoslavia—3,000 barrels.<sup>112</sup>

Supporting measures to bolster national sovereignty, progressive forces in Mexico considered an independent oil policy to be an important factor capable of strengthening the country's international position and lessening its dependence on the US. The events of the late 1970s and early 1980s demonstrated Mexico's significantly greater authority in dealing with the US. *The New York Times* noted that the United States had unexpectedly come up against a confident Mexico, which seemed to want to restructure historical relations between the two countries. To achieve this, however, would require the united effort of all the Mexican people.

After Reagan came to power, Washington increased its attempts to establish closer relations with Mexico, a country now considered to be of considerable importance to the US. Mexico was the first country Reagan visited, even before his official inauguration. According to the American press, the purpose of Reagan's meeting with Portillo on January 5, 1981, in the Mexican city of Ciudad Juarez, was to establish contact with his Mexican colleague before discussing concrete issues such as immigration, Mexican oil imports, the situation in Central America, etc.

The day before this meeting Mexico had abrogated a fishing agreement with the US after the latter had refused to grant Mexico a fishing quota off the North Atlantic coast. This was just one more Mexican-American problem to be added to the already lengthy list. But later meetings

between Reagan and Portillo revealed that the US did not care to discuss questions of concern to Mexico but was more interested in convincing this nation to support the Republican Administration's foreign policy. For example, when Portillo visited Washington in June 1981 and asked Reagan to introduce a policy allowing Mexican workers temporary work visas in the United States, the American President tried to link this request with the organisation of a North American common market.

One of the major topics discussed at this summit was the US-proposed plan for the development of countries in the Caribbean and Central America. Mexico justifiably viewed this proposal as a reflection of Washington's expansionist plans in the region. Portillo stated that Mexico would participate in the plan together with the US, Canada and Venezuela only on condition that Washington would not include military aspects, stress anti-communism or discriminate for political reasons against countries requesting aid. These conditions were extremely relevant considering the undeclared war the US was waging against the people of El Salvador, its hostility toward Nicaragua and efforts to overthrow the Grenadan Government.

It is therefore understandable why the situation in Central America was the cause of such disagreement at the meeting between the two presidents. As was noted in *The New York Times*, "Mexico and the United States are in stark disagreement over both the causes of and the solutions to the region's political violence and instability."<sup>13</sup> That the US and Mexico had taken opposing sides regarding the situation in El Salvador could be clearly seen in the joint declaration issued by Mexico and France wherein the Farabundo Marti People's Liberation Front was recognised as a real political force in El Salvador.

Nor did Mexico agree with US ideas about Cuba's role in Central America. As one of the initiators of another round of talks in the North-South dialogue (to be held at the end of October 1981 in the Mexican city of Cancun) President Portillo expressed his disappointment that the US refused to participate in the talks unless Cuba were excluded. According to the Latin American press, President Reagan's speech in Cancun annoyed the Mexican and Brazilian leaders. Reagan



called upon the developing countries to rely on their own strength and create favourable conditions for capital investment, i.e., in effect, to maintain the very causes underlying the countries' socio-economic problems. Except for a couple of phrases referring to a "new era of cooperation" and "understanding the problems of the developing countries", the concrete goals set by the organisers of the meeting in Cancun were not met, and this was reflected in a letter sent to all participants by the conference's co-chairmen—Jose Lopez Portillo and Pierre Trudeau, Prime Minister of Canada.

The results of the Cancun Conference demonstrated that Mexico should not expect the Reagan Administration to help solve its urgent socio-economic problems. In 1980 Mexico's trade deficit with the US amounted to 2.5 billion dollars as a result of the import of food and oil industry equipment. Immigration and fishing rights were two more urgent problems that needed to be solved. However, when Secretary of State Alexander Haig visited Mexico in November 1981, once again the question he wished to discuss was El Salvador. All other issues were to be postponed till the next meeting planned for mid-1982.

In refusing to discuss Mexico's pressing problems, the US demonstrated that it wished to force its southern neighbour to make concessions concerning El Salvador and oil imports. The US alternated its "flirtation" policy with threats against Mexico. For example, in April 1981 the US conducted military manoeuvres on the Mexican border. In response to Portillo's decision not to sell any one country more than 50% of Mexican oil, the American press called for "teaching Mexico a lesson", and the US Government contemplated plans to link Mexican oil imports with the export of food to the country. In October 1981, 36 members of the US Congress adopted a declaration in which they expressed their "concern" over the Mexican-French communique issued about El Salvador. This action was viewed by Mexico as US interference in the country's internal affairs. At the same time, the US continued to postpone the signing of a maritime law treaty that Mexico had signed back in 1978. During Haig's visit to Mexico, Portillo warned the US against interfering in El Salvador or trying to overthrow the governments of Nicaragua and Cuba by armed force,

stating that these would be "colossal historical mistakes".

When Miguel de la Madrid came to power, Mexico was in a deep economic crisis with a foreign debt standing at 88 billion dollars in the mid-1980s. The Mexican press, public and governmental officials began to speak about Washington's increased pressure on the country. The United States was displeased with Mexico's independent stand on a number of issues, especially regarding Central America, and was counting on taking advantage of the country's economic difficulties, as was evident in the Mexican policy it adopted. In May 1984 President de la Madrid paid an official visit to Washington. During the visit it became clear that the two countries had sharply diverging views on the continent's economic problems and the situation in Central America. Before his trip to the US, the Mexican President visited Argentina, Brazil, Panama, Venezuela and Colombia. The meetings with these presidents indicated that there was an effort to formulate a united approach to the urgent problems besetting the continent. The Latin American countries condemned the regional economic policy of the developed capitalist states, particularly the United States, and also the continued high bank interest rates that were exacerbating the already serious foreign debt problem. The leaders of the Latin American countries spoke out in favour of halting the arms race in the region, especially in Central America, which was diverting efforts and funds from developmental needs. They also called for supporting the efforts of the Contadora Group and declared the need for equality in relations between developed and developing nations and stronger cooperation and mutual assistance among the developing countries.

The success of de la Madrid's visits with the Latin American leaders undoubtedly influenced his reception in Washington. The *International Herald Tribune* stated that the Mexican President would have a cold welcome from President Reagan after his Latin American trip.<sup>114</sup> A number of Mexican papers also described the "cold reception" and "low-level meeting".

The different approaches the two countries favoured with respect to Central America were brought out at the meeting between the US and Mexican presidents. De la Madrid expressed the point of view supported by the Contadoza

Group: that the conflict in Central America was the result of the backwardness and poverty of the peoples in the region. Reagan, on the other hand, justified US intervention in the affairs of Central America by referring to "communist plots" and "Cuban and Nicaraguan interference". In response to Reagan's sharp attack against Nicaragua, de la Madrid called on the Reagan Administration to observe the principles of non-interference and self-determination and also the fundamental principles and norms of international law which regulate relations between states.

In mid-September 1984 Mexico was outraged by the conduct of US Ambassador to the country John Gavin, who dared to try to "instruct" the Mexican Government concerning a number of matters which fell exclusively under Mexican jurisdiction. It was later learned that Gavin was acting on a secret directive from President Reagan that was intended to apply pressure against Mexico to change its independent course in international affairs. A number of Mexican newspapers, political and public officials demanded that Gavin be declared *persona non grata* and expelled from the country.

After the murder of the progressive journalist M. Buendía, who published an article exposing the role of the CIA and CIA-financed "pressure" groups in the Mexican Government, the Mexican public began to worry that disguised US interference in Mexico's internal affairs could have an effect on the country's independent foreign policy.

In mid-February 1985 US authorities held up traffic across the border on the Rio Grande with Mexicans subjected to a humiliating search and Americans unnecessarily delayed thus revealing US intentions to "secretly influence" its southern neighbour while ostensibly carrying out "friendly and good-neighbourly relations" at the official level. This practice continued even after de la Madrid and the Mexican Senate appealed directly to President Reagan. The Mexican press and public justifiably considered this action an effort on the part of the US to pressure the Mexican Government by creating difficulties for the country's economy and tourism. Complicated by the question of the movement of Mexican seasonal workers into the US, the border issue reflects the true picture of American-Mexican relations. Despite official

announcements of "friendship" and "sincere relations" between the two countries, Mexico and the US remain far apart in their approaches toward the crucial problems in international relations.

## 5. A Vacillating Anti-Cuban Policy

Washington's anti-Cuban policy, which, to a greater extent than perhaps any other aspect of US-Latin American relations, reveals the true nature of changes in US policy, is especially significant in the context of US bilateral relations with the countries of Latin America as a whole. The 1970s and 1980s were no exception—it was Washington's attitudes toward socialist Cuba that reflected the country's changing Latin American policy.

The general spread of detente throughout the Western hemisphere helped to increase the international prestige of Cuba. The country's economic and social achievements and continued development of socialist democracy were recognised by the majority of countries in this part of the world.

Along with the business world that had showed an interest in developing trade with Cuba, academic circles as well began to speak out in favour of normalising relations. "Political realists" were increasingly inclined to give a more just evaluation of Cuba's role in the modern world and credit to the country's socio-economic development. In the book *Cuba in the World* published by scholars associated with the University of Pittsburgh, the authors stated: "Cuba now appears to be safely socialist. There appears to be no organised opposition to Castro on the island."<sup>115</sup>

Acknowledging that Washington was to blame for the rupture of US-Cuban relations, many American politicians, including A. Lowenthal, pointed out that it was the US that should take the first step in normalising relations.<sup>116</sup> The same suggestion was made in the second report presented by the Linowitz Commission.

While the question of normalising relations with Cuba continued to be heatedly debated among governmental, business and academic circles, two basic approaches were devised. The first was dictated by the concern for the national interests

of the US and American business and also by the desire to conduct a more consistent policy with respect to the Latin American countries. Proponents of this approach favoured completely lifting the trade embargo against Cuba and re-establishing diplomatic relations with the country. In a report to the Committee on Foreign Affairs, Senator George McGovern stated that "a continued hard line ... is not in the interests of the U.S. ... and can only perpetuate needless hostility."<sup>117</sup>

It was American business that was most interested in normalising trade and economic relations with Cuba. Senator Gale McGee noted "All the U.S. economists agree that the lifting of sanctions will be useful for the U.S. economy."<sup>118</sup> Cuba's traditional exports—sugar and especially nickel—attracted the United States. At present the US must import up to 90% of its nickel needs. According to US economists, Cuba (fourth in the world in nickel reserves and mining) could supply the US with half its import needs. American political analyst Robert Swansbrough noted that the absence of ties with Cuba, a country that produced cobalt and nickel that many American companies needed to import, had hurt the American economy.<sup>119</sup>

In August 1975 (immediately after OAS sanctions were lifted), the United States made certain changes in the regulations forbidding foreign affiliates of American firms to do business with Cuba. And in May 1975, the Council of the Americas and Association of the American Chambers of Commerce in Latin America asked the State Department to lift all sanctions. More than one hundred American companies sent in inquiries concerning future trade with Cuba, among them such large firms as Monsanto, Dow Chemical, Union Carbide, Dupont, Coca-Cola, Goodyear, Goodrich, Firestone and others.<sup>120</sup>

However, even though American politicians and scholars recognised the need to normalise American-Cuban relations, there was a desire to utilise prospects for the future normalisation of relations in order to pull Cuba out of the socialist system. Certain "political realists" not only wished to satisfy the mercantile interests of American businessmen, but hoped that the normalization of relations between the two countries

would make it possible to weaken "Soviet influence" on Cuba and diminish its revolutionary role in the Caribbean. C. Blasier, for example, wrote that since it was unrealistic to expect the socialist structure in Cuba to degenerate from "inside", then the normalisation of American-Cuban relations was "the best, if not the only means to weaken Soviet-Cuban ties, at least in the prospective."<sup>121</sup> Even more categorical in his opinion was Professor Roger Fontaine of Georgetown University who believed that negotiations to normalise relations with Cuba should continue the previous strategic course followed by the US. According to Fontaine, normalisation should only serve to "end the Marxist-Leninist regime in Cuba without resort to war, subversion or, even, embargo."<sup>122</sup>

There were hopes that when Carter took office US-Cuban relations would be re-established. After the new American President announced his intentions to normalise relations with Cuba, a number of measures were introduced to lessen tension in the Caribbean. As of January 1977, American spy planes ceased to fly over Cuba. And talks conducted alternately in Havana and New York resulted in the signing on April 28 of that same year of an American-Cuban agreement on fishing rights and preliminary sea border (taking into consideration the 200-mile fishing zone introduced earlier by each side). An important step in normalisation was the announcement on June 3, 1977, of an agreement to establish in each country's capital city "departments of interest" representing Cuba in the US and the US in Cuba. At the same time, talks were held between representatives of Cuba's border guard and the US Coast Guard, and more American politicians, businessmen and journalists visited Cuba. In spring 1977 the US Senate adopted a resolution proposed by Senator McGovern which called for a partial lifting of the trade embargo against Cuba. In accordance with this resolution, certain American goods were allowed to be sold in Cuba, but the ban on Cuban imports into the US remained in effect. In an interview with the Brazilian magazine *Veja*, Castro declared that a partial lifting of the embargo would not solve the problems of normalisation of American-Cuban relations. Only the complete lifting of the blockade would make it possible to discuss the question of improving these relations.

However, the Cuban Government welcomed the Democratic Administration's first steps, which reflected a clear departure from the hostile policy the US had conducted against Cuba for 18 years. Taking into consideration the desires of the US Government, Cuba showed understanding in dealing with the problem concerning the deportation of American citizens imprisoned for criminal offences in Cuba and took a positive attitude in deciding cases of dual citizenship. Two Cuban political analysts, J. Sanchez and J. A. Arbez, noted: "In this and other ways the Cuban Government demonstrated its interest in finding solutions to problems in relations with the US. This charted trend could be further developed in the higher interests of the peoples of the US and Cuba."<sup>123</sup>

However, in early 1978 official circles in Washington came to be dominated by those forces which wanted to link prospects for the normalisation of American-Cuban relations with unilateral concessions from Cuba, specifically, that Cuba cease to conduct an independent foreign policy.

Throughout the year 1978 Washington returned to its former anti-Cuban policy and held to a position that cast doubt on US claims to desire better relations with Cuba. After Cuba offered international aid to the legitimate Ethiopian Government, Washington demanded that it cease its "interference" in Africa. But Fidel Castro determined Cuba's position regarding this matter once and for all.

Having no desire to tolerate the existence of a socialist state in the western hemisphere, reactionary circles in the US Government and Congress endeavoured to discredit Cuban policy and undermine the country's international prestige, especially in the eyes of the developing world. To this end they slandered Cuba's foreign policy, claiming that the country was nothing more than an "instrument of the Soviet Union", and attempted to frighten the developing countries with talk of a "Cuban threat".<sup>124</sup> Certain influential US politicians (Ronald Reagan, for example) tried to show that restoring American-Cuban relations would be beneficial only to Castro's Government, which, allegedly, "desperately needs American trade". Reagan went on to say that diplomatic recognition of Cuba "would ignore security considerations".<sup>125</sup> And it should be noted that conservative forces were becoming more

influential in the Carter Administration.

To whip up its anti-Cuban campaign, the US called attention to Cuba's solidarity with the people of Puerto Rico. Washington was especially vexed by the fact that due to Cuba's consistent anti-colonial policy in the non-aligned movement and in the U.N., in August 1977 (in accordance with a resolution of the Coordinating Bureau of Non-Aligned Countries) the U.N. Committee on Decolonisation decided to consider the question of the right of the Puerto Rican people to self-determination and political independence. The Cuban Government frequently stressed that the struggle for Puerto Rico's independence was the inalienable right of its people and that Cuba supported this right. "No one can reproach Cuba for having participated in violent actions in Puerto Rico or having promoted violence in Puerto Rico," Castro announced. "We give the Puerto Ricans moral and political support. If we did not act thus, we would be frauds."<sup>126</sup>

The fact that Cuba stood by its principles in offering all-round support to peoples fighting against imperialism upset the calculations of those circles in the US that had hoped that a small improvement in relations between the two countries would compel Cuba to alter its international policy. In 1979 a new round in the anti-Cuban campaign was begun in the United States. Washington again tried to aggravate tension in the Caribbean in the hope of forcing Cuba to make political concessions by means of military and economic blackmail.

The new anti-Cuban campaign was based on Washington's efforts to distort the meaning of the Soviet-American agreement reached after the 1962 Caribbean crisis. Thus, tension in the region mounted when the US claimed that Cuba's MIG-23 planes were "strategic weapons" that "threatened the security of the US". And Carter's decision to renew spy missions over Cuba reflected the strengthened position of the advocates of a "hard line" in relations with Cuba.

In light of the growing role and strengthened position of developing countries in the world, official circles in Washington were annoyed that Cuba was actively participating in the non-aligned movement, which united the majority of developing states.<sup>127</sup> Washington was fully aware of the high prestige enjoyed by Cuba in the non-aligned movement.



The 6th Conference of the Heads of State or Government of Non-Aligned Countries held in Havana in September 1979 was an important step towards increased solidarity of the developing countries before imperialism. President Carter's February 1979 report to Congress concerning US policy in relation to Cuba used this conference as a pretext for an eventual anti-Cuban campaign, should Cuba refuse to alter its anti-imperialist course in the non-aligned movement.

Even before the conference opened Washington had launched a propaganda campaign concerning the presence of Soviet troops in Cuba that allegedly threatened the security of the United States. At the same time American diplomats approached the leaders of almost 40 non-aligned governments in an effort to pressure them into not attending the Havana Conference.<sup>128</sup>

But Washington's backstage manoeuvrings failed miserably. Not only did the Havana summit meet, it became the most representative of the non-aligned conferences. Representatives from 94 countries and national liberation movements gathered in Havana. Admitted as full-fledged members were Nicaragua, Bolivia, Grenada, Surinam, Iran, Pakistan and the Zimbabwe Patriotic Front, while a number of countries attended as observers.

Unable to disrupt the conference, Washington tried to denigrate its significance, mispresent its results and discredit the organising country. The American press reflected this attitude.

The Havana summit clearly demonstrated the growing interest of the leaders of a majority of non-aligned countries in issues of global importance such as detente, the struggle against imperialist aggression and disarmament.

The thesis spread by the American press that anti-imperialist principles were not an integral part of the non-aligned movement's political platform but rather something imposed by certain member-nations, specifically Cuba, was shown to be completely groundless.

Washington was especially disgruntled that Cuba's aid to certain countries waging struggles to strengthen national sovereignty and trying to repel the forces of neocolonialism and racism was widely supported at the Havana summit.

*Time* magazine acknowledged: "...the vocal majority have applauded Cuba's championship of liberation movements."<sup>129</sup>

According to the American press, the results of the conference proved the ineffectiveness of Carter's policy which, as *The New York Times* noted: "has properly courted the third world..."<sup>130</sup> However, the newspaper failed to mention the well-known fact that since Carter had taken office the US had done virtually nothing to resolve the crucial problems in relations between the West and the developing world. And it was precisely because these problems had not been addressed that 94 members of the non-aligned movement at the conference condemned the West in more vigorous terms than they ever had since the founding of the movement in 1961.<sup>131</sup>

After the conference official circles in Washington raised an even greater hue and cry over the presence of Soviet troops in Cuba. Appropriate rebuttals to this campaign of provocation were given by USSR Minister of Foreign Affairs Andrei Gromyko at the 34th U.N. General Assembly session and also by Fidel Castro at a press conference in Havana on September 29, 1979. The Cuban leader pointed out the inconsistency of raising a commotion about the existence of a Soviet military training centre that had been operating in Cuba for 17 years (as the US was well aware) and declared that Carter had neither the legal nor moral right to try to make this an issue when the US-imposed blockade was still in effect after 20 years and American troops occupied Guantanamo against the will of the Cuban people. As for Zbigniew Brzezinski's "theory" that Cuba did not follow its own policy but was only a "satellite" of the USSR, Castro reasoned that this suggestion did not correspond to the interest the US had shown in Cuba and ignored the fact that Cuba was head of the non-aligned movement, and enjoyed great prestige there.<sup>132</sup>

It should be noted that the ruckus raised concerning the "Cuban threat to the US" was criticised as well by American political analysts who could hardly be described as sympathetic to socialist Cuba. C. Blasier, for example, observed: "The Soviet presence in Cuba offsets the US presence in Europe, but only symbolically—the United States, unlike the

USSR in Cuba, has operating bases in Europe.”<sup>133</sup>

Carter himself was forced to admit that the limited contingent of Soviet military personnel in Cuba did not threaten the United States: “This is not a large force, nor an assault force. It presents no direct threat to us.”<sup>134</sup>

The question of the Soviet military presence in Cuba was also heatedly discussed in the US Senate and House of Representatives where some legislators criticised the purely “cosmetic” nature of the White House response to the “Soviet threat” from Cuba and demanded an even firmer stand be taken in relations with the country.<sup>135</sup> On the other hand, a number of American politicians reasoned that no one truly believed that the presence of Soviet troops in Cuba posed a direct military threat to Florida or any other part of the United States.<sup>136</sup>

It was soon apparent that the US intended to use the same myth it had created about a Soviet military threat in order to revitalise its “gunboat diplomacy” and increase tension in the Caribbean. In October 1979 the United States conducted the largest sea-landing operation since the time of the Vietnam War. It was staged in Guantanamo, a Cuban territory occupied by the US in violation of the country’s sovereignty.

Such actions perpetrated by the Carter Administration made it impossible to move further ahead in normalising American-Cuban relations and, in effect, seemed to be a concession to those circles in the US that refused to accept the reality of the new international situation and advocated acting from a “position of strength”. And when Reagan came to office, the anti-Cuban trend in US foreign policy increased.

To conduct ideological subversion, the US Government decided in 1902 to set up a special radio station to broadcast to Cuba. The Reagan Administration also makes extensive use of “verbal terrorism”, i.e., subjects Cuba to political and psychological pressure.

According to the Cuban newspaper *Granma*, which published a chronicle of anti-Cuban statements made by US officials from August to October 1981, Vice-President George Bush, Secretary of State Alexander Haig and US Ambassador to the UN Jeane Kirkpatrick and other officials accused Cu-

ba of "exporting revolution" 17 times during this three month period.<sup>137</sup> The Cuban Government revealed the spurious nature of accusations that Cuba was interfering in El Salvador and other Central American countries and several times made official demands that the US Government offer some kind of proof. But Washington refused to respond. In a speech delivered at the opening of the 68th Inter-parliamentary Union in Havana, Castro condemned the "war of nerves" the US had unleashed against Cuba: "We have demanded that the United States Government show even the smallest bit of proof for its claims, and it has not responded with one word."<sup>138</sup>

Authors Warren Hinckle and William Turner write in their book *The Fish Is Red. The Story of the Secret War Against Castro* that the US has been conducting the dirtiest and most surreptitious war against Cuba for many years.<sup>139</sup> President Reagan lifted the limited restrictions placed on CIA activities after the scandalous disclosure of criminal intrigues perpetrated by this spy organisation in the 1970s against many developing countries. This decision gave the "green light" for new dirty plots against Cuba. According to the Cuban Government, the US is resorting to bacteriological warfare. In the past three years there have been five serious outbreaks of infectious diseases affecting crops, cattle and people. Washington is also doing everything in its power to place a sanitary cordon around Cuba and to weaken Cuba's ties with neighbouring Latin American countries.

The aggressive actions of the United States are unable to shove socialist Cuba from its chosen path. But they do serve to increase international tension, hinder the construction of a socialist society in Cuba and force the government to divert human and material resources to increase the country's defence capabilities.

A new and dangerous trend can be observed in Washington today: the persistent desire to flaunt all the norms of international law and claim the "right" to "punish" Cuba if the latter should take internationalist action and support the liberation movement of sovereign states and peoples in the developing world or make any other foreign policy move that might displease the US. For the first time since the US provoked the 1962 Caribbean crisis that brought the world to the brink

of a thermonuclear war bellicose cries can be heard across the Potomac calling for another armed intervention in Cuba. The more irresponsible White House advisors threaten Cuba with a complete naval blockade or the organisation of a "national liberation war against the Castro regime".

But Cuba does not stand alone: it has loyal friends. In expressing the solidarity of the Soviet Union with the heroic Cuban people, USSR Minister of Foreign Affairs Andrei Gromyko stated at the 36th UN General Assembly session: "The hostile, criminal intrigues committed by the US against Cuba, which have intensified of late, must cease... No one has the right to tell the Cuban people how to run their affairs."<sup>140</sup>

The help and support of the socialist community, widespread international solidarity with the struggle of the Cuban and other peoples of Latin America, the Cubans' rallying around the Communist Party of Cuba, their determination to fight foreign aggression and socialist Cuba's great international prestige—these factors have a deterring and sobering effect on the more aggressive circles in Washington and seriously impede the realisation of American imperialism's interventionist goals. However, this does not lessen the danger posed to the cause of peace by imperialist provocations.

Washington's anti-Cuban policy was further escalated in direct connection with increased American interventionism in Central America and the Caribbean—widespread interference in El Salvador, conducting a large-scale undeclared war against the Sandinist Revolution, armed intervention against Grenada in October 1983.

Switching on the anti-Cuban campaign, President Reagan called socialist Cuba the "focus of evil" in the Western hemisphere, just as he had declared the Soviet Union to be the "focus of evil" in the world.

The head of the US Department of Interests in Havana brought forth a detailed list of US grievances against Cuba when he addressed a conference of the international "round table" in Havana in March 1983. This address clearly showed the unsubstantiated nature of White House claims against Cuba. Basically these were incessant accusations that Cuba, backed by the USSR, was challenging the US by "exporting revolution" to the Third World, specifically, Nicaragua, and

was playing a leading role in the guerilla war in El Salvador, despite the fact that the Communist Party stands categorically against the "export of revolution". The Cuban Government had already refuted similar provocational insinuations several times.

Another favourite ruse of the Reagan Administration was to claim that Cuba, with its too close military relations with the USSR, was a "main factor of the Soviet military presence in the Caribbean", with armed forces exceeding "legitimate defence" needs, and represented an increasing military threat.<sup>141-142</sup> In disclosing the false nature of these accusations ("supported" by information supplied by the CIA and other US special services), Castro assured the fraternal peoples of Latin America and the Caribbean that Cuba's armed forces would never pose any threat to them.

Moreover, the present US Administration qualifies Cuba's support of the Puerto Rican people's demands for independence as "gross interference in the internal affairs of the United States". However, the Puerto Rican people's right to independence has been acknowledged by the UN and non-aligned movement; therefore, the US stands in opposition to the entire international community. American imperialists are also irritated that the Cuban mass media, particularly radio broadcasting, brings the truth to approximately 20 million people of the US Spanish-speaking population, which suffers from strong discrimination in the country. Also, the US President has demanded that Cuba pay "full compensation" for the nationalisation of the holdings of American companies.

It should be noted that socialist Cuba has its own legal and just claims against the US, which has caused considerable material damage to the small country and continues to do so, and retains the Guantanamo military base despite the will of the Cuban people. However, in the interests of peace in the region, the Cuban Government has several times expressed its willingness to negotiate mutual grievances with the US if the latter would refrain from aggressive actions. Ignoring Cuba's principled position, the Reagan Administration continues to use all means of pressure against socialist Cuba in the vain hope of forcing the country to change its "behaviour".

President Reagan's April 1983 address to a special joint

session of Congress, convened to discuss the Washington's Latin American policy, and his speech delivered in May of that year in Miami (a "hornet nest" of Cuban counter-revolutionaries) contained vociferous attacks against the Cuban Government and socialist order. At the same time, the bourgeois press stepped up its slander against Cuba. The US State Department had a hand in this, insinuating that Cuba was organising a dreadful conspiracy against American democracy by facilitating the shipment of drugs from Latin America to the US.

Official circles in Washington began a concerted effort to bury in oblivion the promise made by the US in 1962 not to attack Cuba or offer support to the "Gusanos"—Cuban interventionist adventurers. According to former Deputy Secretary of State William Rogers, "By the end of the President Reagan's first term, some in the Administration had begun to suggest that the 1962 arrangement was, in fact, quite unfavorable."<sup>143</sup> In September 1983 the US Committee on Foreign relations held a secret hearing in Congress to discuss this matter at the request of Senator Jesse Helms, who declared that the spectre of an agreement made by Kennedy should not "tie the hands" of the US.

After the invasion of Grenada, new allegations were spread in the United States to the effect that Cuba had ordered terrorist actions against American citizens and official personnel abroad. In October 1983 President Reagan signed a resolution adopted by Congress to allocate funds for setting up a special anti-Cuban radio station that, perversely, was to be named in honour of Jose Marti. The Republican platform with which Reagan campaigned and won reelection in 1904 blamed Cuba for Washington's unsuccessful foreign policy in Latin America and Africa and for increased tension in the Caribbean.

Addressing the 39th UN General Assembly session in September 1984, USSR Minister of Foreign Affairs Andrei Gromyko stated: "They cannot come to terms with the existence of socialist Cuba. Threats are being made against Cuba in order to force this country to alter a course to which it has demonstrated its loyalty in word and deed."<sup>144</sup>

It would be erroneous to think that the escalation of

anti-Cuban policy was merely verbal. Increased tension in Cuba and Nicaragua have forced these countries to divert funds earmarked for socio-economic development to defence needs. According to Carlos Rodriguez, Deputy Chairman of Cuba's Council of Ministers, the Reagan Administration's economic aggression against Cuba had forced developed capitalist states to limit trade with Cuba. Several West European countries sharply cut purchases of Cuban nickel, the country's second most important export. And in banning tours to Cuba, the US deprived the country of a source of foreign currency. Washington has made it difficult for Cuba to receive foreign loans in an effort to worsen its financial position. Also, the US is trying to persuade all developed capitalist countries to remove funds deposited in Cuban banks.

Intensified US military pressure against Cuba was accompanied by stepped-up subversive activities. Despite Cuba's strong protest, the Reagan Administration increased provocative US Air Force reconnaissance flights over Cuban territory and took steps to modernise and augment the contingent of American troops on Guantanamo military base. There were many reports in the American press concerning Pentagon plans to establish a naval blockade around Cuba and bomb the country's most important military and industrial centres.<sup>145-146</sup>

The virtually continuous large-scale combined military manoeuvres of US and NATO forces that are being conducted throughout a vast area of the Caribbean Ocean have served to increase tension. The manoeuvres have been given various code names: Ocean Venture, Solid Shield, Safe Pass... Rear-Admiral Robert McKenzie, commanding officer of Ocean Venture-82, frankly stated that the manoeuvres were to serve as a "warning" to Cuba in connection with its foreign policy based on principles of anti-imperialism and solidarity with freedom-seeking nations. Several times during the exercise landings were staged on Guantanamo. These and other actions taken by Washington are in gross violation of international law, and open defiance of its fundamental principles, such as sovereignty, non-interference in internal affairs and non-use of force or the threat of force in international relations.

In answer to US aggression, the Cuban people have rallied



around their Party and Government and are demonstrating restraint and vigilance. Due to an increased military threat, the Cuban Government has been forced to take additional measures to strengthen the country's defences. To this end, it has established a territorial people's militia, which unites more than a half million men and women determined to defend their socialist country. In July 1983, at a mass meeting held to commemorate the 30-year anniversary of the historic storming of Moncada barracks, it was announced that the ranks of the people's militia would be increased in the course of the next year by another 500,000 people. In his address, Castro noted the real danger of US military intervention and warned his country's would-be aggressors that the entire Cuban people would rise up as one to defend their country.<sup>147</sup>

At the appeal of the Cuban Communist Party, all the people in Cuba directed their efforts toward achieving a stronger defence without slowing down socialist construction. 1984 was proclaimed the "Year of Defence and Production". The entire country was divided into defence zones, each having its own Defence Council which was responsible for all work being carried out. The workers' trade union centre of Cuba organised a socialist emulation campaign under the slogan, "Prepare for Defence". At the end of 1984, Cuban revolutionary armed forces held a series of military exercises in various regions of the country. They involved the people's militia and were code-named Jiron, Fortaleza, Triunfo and Estrella Roja. In an interview with the *Washington Post* in February 1985, Castro pointed out that this had been the response of the Cuban people to US armed intervention in Grenada.<sup>148</sup> And in a March 1985 interview with Regino Diaz, publisher of the Mexican newspaper *Excelsior*, the Cuban leader stressed "We are prepared to repel a foreign attack. And if the US blockades Cuba or Nicaragua, our peoples will wage a prolonged and persistent struggle."<sup>149</sup> The solidarity of the Cuban people with their Party and Government and their determination to defend the achievements of the Revolution had a sobering effect on "hot-heads" in Washington.

The American public is becoming more critical of Washington's anti-Cuban policy. In 1984-1985 despite official restrictions and obstacles, American politicians and represen-

tatives of public and religious organisations who favour better American-Cuban relations have begun to visit Cuba more frequently.

Visiting the country were such noted figures as George Jackson who was running for the 1984 Democratic Party presidential nomination, a delegation from the "League of United Latin American Citizens" which has more than 100 thousand members, Congressman William Alexander (a Democrat from the state of Iowa) who handed Castro a letter from Speaker of the House Thomas O'Neil, representatives of the American magazine *Black Scholar*, and members of the Florida Council of Churches. All of them had the opportunity to meet with leaders of Cuba's Communist Party and government and to learn about the life and work of the Cuban people.

When George Jackson met with Fidel Castro in June 1984, they discussed international problems and questions concerning the normalisation of US-Cuban relations. Jackson spoke out in favour of a "constructive dialogue" between the US and Cuba. An agreement was reached whereby the Cuban Government conceded to release 22 American citizens incarcerated in Cuba for various criminal offences.<sup>150</sup> However, this gesture of good-will was not duly appreciated in Washington, and President Reagan accused Jackson of violating the Logan Law which forbids American citizens to "conduct negotiations with foreign powers."<sup>151</sup>

Nonetheless, in July 1984 negotiations began between governmental spokesmen of the two countries and concluded in December 1984 with an agreement to normalise immigration laws. Describing this as a "positive" event, Castro noted that it proved that even complex and difficult questions could be solved if they were discussed in a serious manner, on a basis of respect and from a flexible position.<sup>152</sup>

The Cuban Government again demonstrated its desire for peace and peaceful co-existence and its willingness to negotiate disputes with the US without preconditions, just as it demonstrated this by supporting the peace act prepared by the Contadora Group and Nicaragua's peaceful initiatives to resolve the conflict in Central America. However, this agreement with the US did not herald a thaw in the two countries'

relations: the Reagan Administration continued its hostile policy toward Cuba. In February 1985, the Cuban Government made an official protest against an anti-Cuban press conference held by US Ambassador to the UN Jeane Kirkpatrick. Another act of hostility was committed when the US Congress adopted a resolution in April 1985 (that was immediately signed by Reagan) honouring the "heroes" of the mercenary gang, that, under Washington's instructions, invaded Cuba almost a quarter of a century ago and was routed on Playa Jiron.<sup>153</sup>

Speaking about American-Cuban relations in an interview with the Ecuadoran magazine *Vistaso*, Fidel Castro stressed that their normalisation depended first on the United States, since it was this country that was trying to set up a blockade and conducting an aggressive policy against Cuba. Castro went on to say that if US leaders followed a more realistic course they would seek to improve relations with Cuba, thereby demonstrating respect for the Latin American community.<sup>154</sup>

Standing by Cuba in a difficult and tense situation are the socialist states, non-aligned movement and progressive international community. Solidarity between the USSR and Cuba was again reaffirmed during talks between General Secretary of the CPSU Central Committee Mikhail Gorbachev and Politbureau member and Second Secretary of the Central Committee of the Cuban Communist Party Raul Castro. Both men expressed their mutual desire to further strengthen Soviet-Cuban friendship and to join forces with other socialist states and all peace-loving countries and peoples in the persistent struggle to establish peace and international security, national freedom and independence.<sup>155</sup>

Socialist Cuba is playing an important role in modern international relations. And the just cause of the Cuban people is recognised around the world by all people of good-will.

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3. *Statistical Abstract of Latin America*, Los Angeles, 1978, Vol. 19, p. 305.
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5. U.S. Economic Relations with Latin America. Hearings before the Subcommittee on Inter-American Economic Relations of the Joint Economic Committee Congress of the United States, Washington, 1977, p. 147.
6. For additional information see: Litavrin, P. G., Yakovlev, P. P., "Novyi etap v amerikano-brazil'skikh otnosheniyakh", *SShA: ekonomika, politika, ideologiya*, 1980, No. 4.
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9. *América Latina informe semanal*, 20 June, 1980, p. 9.
10. Selivanov, V. N., "Imperialism SShA i gonka vooruzheniy v Latinskoi Amerike", *Latinskaya Amerika*, No. 6, 1979, p. 55.
11. For additional information see: Kokoshin, A. A., *O burzhuaznykh progno-zakh razvitiya mezhdunarodnykh otnosheniy*, Moscow, 1978, pp. 143-146.
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19. *Afrique-Asie*, April 16, 1979.
20. *Congressional Record*, September 13, 1979, p. S12530.
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25. *Pravda*, January 17, 1980.
26. As was noted in a discussion on the problems of the Carter Administration's Latin American policy organized by the magazine *Latinskaya Amerika*, the Brazilian Government was more and more clearly following its own objectives in international affairs and these did not always coincide with and even opposed US objectives. ("Administratsiya Kartera i Latinskaya Amerika", *Latinskaya Amerika*, 1979, No. 4, p. 108).
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28. *The New York Times*, October 16, 1981, p. A3.
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## *Conclusion*

Washington has characteristically revised its Latin American policy from time to time. Over a period of decades the patterns it followed have been repeatedly altered ("Big Stick", "dollar diplomacy", "good neighbour" policies, "new frontiers" programme, Johnson-Man Doctrine and others) in response to changes in the international situation and revolutionary processes in the region or as a reflection of foreign policy concepts held by the power group dominating American government at a given time.

But usually these changes stayed within the framework of two approaches: a "hard line", characterised by armed intervention, pressure tactics and alliances with military dictatorship; and a policy leaning on cooperation with regional bourgeois-democratic governments and utilising more flexible and surreptitious forms of imperialist expansion.

The 1970s clearly demonstrated that despite an increased arsenal of US foreign policy methods, on the whole, Washington's Latin American policy remained within the two above-mentioned approaches. But it did experience some evolutionary change: from a "low profile" policy (which was complemented by "preferred ally" diplomacy) to the "new approach" of the Carter Administration, which, while professing "high moral principles", in the end, turned out to represent nothing more than "Big Stick" and "gunboat diplomacy" policies.

It should be noted, however, that the "mixture" of "hard line" and "liberal" methods to be used in America's Latin American policy in a specific period (as the 1970s and

early 1980s showed) is determined by the political views and foreign policy concepts of the particular administration. This conditions the "shading" of a specific administration's course and also certain alterations which, for example, the US regional policy experienced during the last Democratic administration.

It is important to stress another characteristic of US policy that became especially evident in the 1970s. The increasingly tense social and political situation in the region has left the US Government with fewer and fewer options. We have seen that both the Nixon and Ford Administrations, and especially the Carter Administration, despite claims to the contrary, were forced to be guided more by short-term benefits than long-term interests. The urgent need to counteract explosive situations in the region compels Washington to change its slogans and tactics so swiftly that contradictions in the US Latin American policy are deepened and sometimes confuse even America's most loyal allies in the region.

The combination of a global, regional and national approach, which Washington introduced in the latter 1970s, did not strengthen America's position in the region since it did nothing to alter the unequal nature of relations between the US and Latin American countries.

Washington's increasingly active Latin America policy in the 1970s was directed not only at strengthening the position of the US in the region (this has always been the case), but also at searching for possible ways to utilise certain Latin American countries as imperialist allies in international affairs who would be capable of playing an intermediary role in reconciling the interests of the developed capitalist and developing countries.

But it is clear that Washington's intensified diplomatic effort in Latin America did not lead to the hoped-for results. The deep contradictions between the two Americas, caused primarily by the neo-colonial policy of US monopoly capital, are changing, becoming sharper and prompting a growing number of Latin American leaders to oppose US dictate and take a more independent role in world affairs.

Despite the different declarations and political steps taken with respect to the region, Washington's basic Latin American

policy remains the same: helping US monopoly expansion in the regional countries and extending ties between the affiliates of American companies and the local bourgeoisie in order to "assist" the internal transformation of Latin American society along western lines. This is precisely what the US is counting on when it speaks of Latin America as a "natural" reserve for the West, and this is why Washington is encouraging the Latin American countries to isolate themselves politically from other developing countries.

But this policy revealed not only the limitations of US economic and political capabilities but also the lack of any conceptual unity in dealing with inter-American problems. This has become especially evident with the adoption by the US of a global approach to trade and economic issues. Obviously, the country's difficult economic situation makes it impossible for the US to make unilateral concessions to Latin America. This, in turn, is pushing the regional countries to cooperate with Asian and African nations, and helping to turn Latin America into a reserve for the non-aligned movement, not for the West, thus frustrating Washington's plans to split the developing world.

Such contradictions and inconsistencies characterise other aspects of US Latin American policy as well. An analysis of the situation in the inter-American system reveals that the 1970s—a time of profound revolutionary changes and victories of the liberation movement in the world—will go down in history as the period of the decline of pan-Americanism, a system that has always served to further US imperialist aspirations in the western hemisphere.

The last decade has convincingly shown the utter worthlessness of many pan-American doctrines such as "geographic determinism", the concepts of "common interests" and "western hemisphere solidarity", the theory of "socialism's incompatibility with American democratic institutions", etc. The key link in the inter-American system, the OAS, has virtually lost the ability to effectively influence the foreign policy of regional countries, and the US is finding it increasingly difficult to use the organisation to its own advantage. The dispute that arose when plans to reform the OAS were discussed in the 1970s revealed the deep chasm separating the US from

the majority of regional countries. The outcome is more or less predetermined: today, when broad-based social forces and a growing number of states all over the world are speaking out for detente and the democratisation of international relations, it is impossible to maintain the reactionary principles of the inter-American system, which carry the indelible mark of Cold War politics and anti-communism. However, official circles in Washington cling to the illusion that one way or another an "obedient majority" will once again emerge in the OAS and the inter-American system will be preserved from decay.

In the early 1980s, the US embarked on another neo-colonialist offensive in Latin America. Once again there was talk of creating a South Atlantic Treaty Organisation in order to oppose "Soviet pressure" in the region. The US Government and American transnationals were strengthening ties with the Pinochet junta and other repressive regimes, while the CIA and other US government agencies stepped up interference in the internal affairs of El Salvador, supporting the ruling junta by every possible means in its efforts to suppress the people's rebellion. At the same time, the US acted to destabilise the situation in Nicaragua, Grenada, Guyana, Panama and in other countries where the governments were following a course of independent development.

US policy threatens all patriotic and national-democratic forces in the region. These attempts to increase tension affect the vital interests of every country. After Reagan came to office, US Latin American policy became even more reactionary. Washington's approach to the region is characterised by increased aggression, primarily, against the countries of Central America where the United States openly threatens Cuba and Nicaragua, interferes in the internal affairs of El Salvador and supports reactionary dictators.